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**COP 28 FINAL** 

# Summary of the 2023 Dubai **Climate Change Conference:** 30 November – 13 December 2023

The 2023 Dubai Climate Change Conference began on a high note. During the opening plenary, parties adopted a decision operationalizing the new loss and damage fund that was established the previous year in Sharm el-Sheikh, Egypt, and a number of parties announced pledges for its initial capitalization. This success was made possible by an agreement reached in the Transitional Committee that was tasked and met throughout 2023 to make a recommendation on the institutional arrangements for the fund.

Parties also swiftly adopted the agendas for the meeting. Pre-sessional consultations managed to secure agreement for a number of contentious issues to be addressed either in presidency consultations or under existing agenda items, rather than as standalone items.

Despite these initial high points, negotiations throughout the two-week meeting were difficult, especially on the central outcomes for this conference: the first Global Stocktake (GST) under the Paris Agreement, the framework for implementing the Global Goal on Adaptation (GGA), the mitigation work programme, the work programme on just transition pathways, and matters related to Paris Agreement Article 2.1(c), on aligning finance flows with lowgreenhouse gas (GHG) climate-resilient development.

During the second week, negotiations were largely conducted behind the scenes, with the Presidency, its appointed ministerial Co-Facilitators, and others conducting bilateral consultations on draft texts with a view to identify landing zones. Key issues of contention related to, among others, language on fossil fuel phaseout in the GST decision and references to means of implementation for the GGA. Despite the Presidency's intention to close the meeting on time on Tuesday, 12 December, consultations continued into the early hours of Wednesday, 13 December. In the early morning, draft decisions on the remaining issues were eventually posted and adopted by the closing plenary.

Parties adopted a decision on the GST that recognizes the need for deep, rapid, and sustained reductions in GHG emissions in line with 1.5°C pathways. It encourages parties to ensure their next nationally determined contributions have ambitious, economywide emission reduction targets, covering all GHGs, sectors, and categories, and aligned with limiting global warming to 1.5°C.

Among other things, the decision also calls on parties to contribute, in a nationally-determined manner, to global efforts on:

- tripling renewable energy capacity globally and doubling the global average annual rate of energy efficiency improvements by  $2030^{\circ}$
- accelerating efforts towards the phase down of unabated coal power;
- accelerating efforts globally towards net zero emission energy systems, utilizing zero- and low-carbon fuels well before or by around mid-century;
- transitioning away from fossil fuels in energy systems, in a just, orderly, and equitable manner, accelerating action in this critical

# In this Issue

A Brief History of the UNFCCC, the Kyoto Protocol,
and the Paris Agreement
Report of the Meetings
Procedural Matters
First Global Stocktake4
Mitigation9
Adaptation
Loss and Damage14
Finance
Just Transition and Response Measures
Reporting under the Convention
Reporting under the Kyoto Protocol
Reporting under the Paris Agreement
Technology Transfer and Development and Capacity
Building
Other Issues
Closing Segment
A Brief Analysis of COP 28
Upcoming Meetings
Glossary

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decade, so as to achieve net zero by 2050 in keeping with the science;

- accelerating zero- and low-emission technologies, including, *inter alia*, renewables, nuclear, abatement and removal technologies such as carbon capture and utilization and storage, particularly in hard-to-abate sectors, and low-carbon hydrogen production;
- accelerating and substantially reducing non-carbon-dioxide emissions globally including, in particular, methane emissions by 2030;
- accelerating the reduction of emissions from road transport on a range of pathways, including through development of infrastructure and rapid deployment of zero and low-emission vehicles; and
- phasing out inefficient fossil fuel subsidies that do not address energy poverty or just transitions, as soon as possible.

Closing statements showcased how difficult it was to reach the compromise on the GST. Many denounced the lack of a clear reference to fossil fuel phaseout, weak language on coal and methane, and the loopholes associated with so-called "transitional fuels," which the decision says "can play a role in facilitating the energy transition while ensuring energy security." Others found the reference to these specific global efforts too prescriptive and underscored the bottom-up and nationally-determined nature of the Paris Agreement. Nevertheless, the decision is celebrated as the "beginning of the end of fossil fuels."

Other outcomes of the conference include:

- the adoption of the framework for the GGA established in the Paris Agreement, which aims to guide the implementation of the goal and, among other things, establishes impact, vulnerability, and risk assessment (by 2030), multi-hazard early warning systems (by 2027), climate information services for risk reduction and systematic observation (by 2027), and countrydriven, gender-responsive, participatory, and transparent national adaptation plans (by 2030);
- the designation of the consortium of the UN Office for Disaster Risk Reduction and the UN Office for Project Services as the host of the Santiago Network on loss and damage;
- the launch of the implementation of the work programme on just transition pathways, with at least two hybrid dialogues to held prior to the two annual sessions of the Subsidiary Bodies;
- the decision to continue and strengthen the dialogue to exchange views on and enhance understanding of the scope of Article 2.1(c) of the Paris Agreement (on aligning finance flows with low-GHG climate resilient development) and its complementarity with Article 9 of the Paris Agreement (on climate finance); and
- the decision to convene an expert dialogue on mountains and climate change and an expert dialogue on the disproportionate impacts of climate change on children at the Subsidiary Bodies meetings in June 2024.

The UAE Climate Change Conference convened from 30 November to 13 December 2023, 23 hours longer than originally scheduled. The conference consisted of the 28th meeting of the Conference of the Parties (COP) to the UN Framework Convention on Climate Change (UNFCCC), the 18th meeting of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP 18), the 5th session of the Conference of the Parties serving as the Meeting of the Parties to the Parties Serving as the Meeting of the Parties to the Parties 5), and the 59th sessions of the Subsidiary Body for Scientific and Technological Advice (SBSTA 59) and the Subsidiary Body for Implementation (SBI 59).

In total, 97,372 people were registered for on-site attendance, including 51,695 delegates from parties, 25,360 observers, 3,972 members of the media, and 16,345 support and Secretariat staff. Of the observers, 4,885 were guests of the host country, the United Arab Emirates (UAE). Another 3,074 people, including 177 delegates from parties, 2,821 observers, and 76 media representatives registered for online participation. COP 28 was by far the largest UN climate change conference to date.

# A Brief History of the UNFCCC, the Kyoto Protocol, and the Paris Agreement

The international political response to climate change began with the 1992 adoption of the UNFCCC, which sets out the basic legal framework and principles for international climate change cooperation with the aim of stabilizing atmospheric concentrations of GHGs to avoid "dangerous anthropogenic interference with the climate system." The Convention, which entered into force on 21 March 1994, has 197 parties.

To boost the effectiveness of the UNFCCC, parties adopted the Kyoto Protocol in December 1997. It commits industrialized countries and countries in transition to a market economy to achieve quantified emission reduction targets for a basket of six GHGs. The Kyoto Protocol entered into force on 16 February 2005 and has 192 parties. Its first commitment period took place from 2008 to 2012 followed by the second commitment period, 2013-2020.

In December 2015, parties adopted the Paris Agreement. Under the terms of the Agreement, all countries will submit nationally determined contributions (NDCs) and will review the aggregate progress on mitigation, adaptation, and means of implementation every five years through a Global Stocktake. The Paris Agreement entered into force on 4 November 2016. To date, 193 parties have ratified the Agreement.

## **Recent Key Turning Points**

**Paris:** The 2015 UN Climate Change Conference convened in Paris, France, and culminated in the adoption of the Paris Agreement on 12 December. The Agreement includes the goal of limiting the global average temperature increase to well below 2°C above preindustrial levels, and pursuing efforts to limit it to 1.5°C. It also aims to increase parties' ability to adapt to the adverse impacts of climate change and make financial flows consistent with a pathway towards low GHG emissions and climate-resilient development. The Agreement will be implemented to reflect equity and the principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances.

Under the Paris Agreement, each party shall communicate, at five-year intervals, successively more ambitious NDCs. Under the common timeframes decision adopted in 2021 in Glasgow, each NDC will last ten years, but will be updated every five years. The Paris Agreement also includes the GST, which convenes at five-year intervals to review collective progress on mitigation, adaptation, and means of implementation. The Agreement further sets out an Enhanced Transparency Framework (ETF) for national reporting by all parties. There are also goals and provisions on adaptation and finance, and further work on technology, loss and damage, and compliance. When adopting the Paris Agreement, parties launched the Paris Agreement Work Programme (PAWP) to develop the Agreement's operational details. Parties also agreed on the need to mobilize stronger and more ambitious climate action by all parties and nonparty stakeholders to achieve the Paris Agreement's goals.

**Marrakech:** The UN Climate Change Conference in Marrakech took place from 7-18 November 2016, and included the first meeting of the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement (CMA). Parties adopted several decisions related to the PAWP, including initiating a process to identify the information to be provided in accordance with Paris Agreement Article 9.5 (*ex-ante* biennial finance communications by developed countries).

**Fiji/Bonn:** The Fiji/Bonn Climate Change Conference convened from 6-17 November 2017 in Bonn, Germany, under the Presidency of Fiji. The COP launched the Talanoa Dialogue, a facilitative dialogue to take stock of collective progress towards the Paris Agreement's long-term goals. The COP also established the "Fiji Momentum for Implementation," a decision giving prominence to pre-2020 implementation and ambition. Parties also provided guidance on the completion of the PAWP and decided that the Adaptation Fund shall serve the Paris Agreement, subject to decisions to be taken by CMA 1-3.

**Katowice:** The Katowice Climate Change Conference convened from 2-14 December 2018 in Katowice, Poland, concluding a busy year that featured an additional negotiation session to advance work on the PAWP. Parties adopted the "Katowice Climate Package," which finalized nearly all of the PAWP, including decisions to facilitate common interpretation and implementation of the Paris Agreement on the mitigation section of NDCs, adaptation communications, ETF, GST, and financial transparency, among others. Work on cooperative approaches, under Article 6 of the Agreement, was not concluded, and parties agreed to conclude this work in 2019. The COP was unable to agree on whether to "welcome" or "note" the Intergovernmental Panel on Climate Change's (IPCC) Special Report on 1.5°C of Global Warming.

**Chile/Madrid:** The Chile/Madrid Climate Change Conference convened from 2-13 December 2019 in Madrid, under the Presidency of Chile. Delegates established the Santiago Network for Averting, Minimizing, and Addressing Loss and Damage, and adopted the enhanced five-year Lima Work Programme and its Gender Action Plan. Parties also adopted three cover decisions under the different governing bodies, each named the "Chile/Madrid Time for Action." On many issues, notably Article 6 and long-term finance, parties could not reach agreement.

**Glasgow:** The Glasgow Climate Change Conference convened in Scotland from 31 October-12 November 2021, following the COVID-19 pandemic-related interruption to the annual rhythm. Parties finalized the Paris Agreement rulebook, adopting guidelines, rules, and a work programme on Article 6 and agreeing on the format of reporting under the ETF. Parties adopted the "Glasgow Climate Pact," a series of three overarching cover decisions that, for the first time, included a reference to phasing down unabated coal power and phasing out inefficient fossil fuel subsidies. They also agreed to work programmes on a global goal for adaptation, and on urgently scaling up mitigation; created the Glasgow Dialogue on loss and damage; established a process towards defining a new collective quantified goal on climate finance; and launched an annual dialogue on ocean-based climate action. **Sharm El-Sheikh:** The Sharm El-Sheikh Climate Change Conference convened in Egypt from 6-20 November 2022 and concluded with the adoption of 60 decisions. For the first time, parties recognized the need for finance to respond to loss and damage associated with the adverse effects of climate change and established a fund and funding arrangements, with the details to be worked out in 2023. Key elements in the package leading to this agreement were work programmes on urgently scaling up mitigation ambition and the GGA. Parties also adopted two overarching cover decisions, together called the "Sharm El-Sheikh Implementation Plan." Highlights of the cover decisions include:

- retaining the call to phase down unabated coal power and phase out inefficient fossil fuel subsidies, as adopted in the Glasgow Climate Pact;
- urging parties that have not yet communicated new or updated NDCs or long-term low GHG development strategies to do so as soon as possible before CMA 5;
- establishing a work programme on just transition to discuss pathways to achieve the goals of the Paris Agreement; and
- calling for multilateral development bank reform.

The meeting also launched the selection process for the host of the Santiago Network secretariat and continued the technical dialogue under the GST.

#### **Report of the Meetings**

The UAE Climate Change Conference opened on Thursday, <u>30 November</u>. Delegations and stakeholder groups presented their opening statements, outlining expectations for the conference. Heads of State and Government delivered high-level statements on <u>1 December</u>, and ministers delivered high-level statements on <u>9</u> December.

#### **Procedural Matters**

**Rules of procedure:** Parties agreed to apply the draft rules of procedure (FCCC/CP/1996/2), except draft rule 42 on voting. Presidency-led consultations did not lead to agreement on the adoption of the rules of procedure.

Adoption of the agendas: In the opening plenary, COP 28, CMP 18, and CMA 5 President Sultan Al Jaber reported on pre-sessional consultations, highlighting that the proposed agenda items reflect the genuine concerns of the proposing parties. He suggested that the Governing and Subsidiary Bodies adopt their agendas without including any of the additional proposed agenda items, as well as without the CMA agenda item on the Sharm el-Sheikh Dialogue on the scope of Paris Agreement Article 2.1(c), which calls for making financial flows consistent with a pathway towards low-GHG emissions and climate-resilient development.

He noted some of the proposed items could be discussed under existing agenda items, including the proposed items on mountains, doubling adaptation finance, operationalizing the principles of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC), and positive incentives for accelerating early actions and policies that are nationally determined.

Presidency consultations convened, but no agreement was found on whether to include:

- the special needs and circumstances of Africa;
- the seventh review of the Financial Mechanism on the CMA agenda; and
- Articles 3.9 and 21 of the Kyoto Protocol, with the outcome to be reported back to the CMP.

Parties agreed the COP agenda items on considering proposals for amendments to the Convention and the second review of the adequacy of Convention Article 4.2 (a-b) would be held in abeyance.

The COP, CMP, and CMA adopted the agendas as outlined by President Al Jaber. Parties adopted:

- the COP supplementary agenda (FCCC/CP/2023/1/Add.2) as amended, with agenda items 18, 19, 20 and 21 deleted;
- the CMP supplementary agenda (<u>FCCC/KP/CMP/2023/1/Add.2</u>), as amended, with agenda items 14 and 15 deleted;
- the CMA agenda (<u>FCCC/PA/CMA/2023/1/Add.3</u>) as amended, with agenda items 10(h), 10(i), 16, 19, 20, 21, 22, and 23 deleted;
- the SBI agenda (FCCC/SBI/2023/11/Add.2) as amended, with agenda items 21, 22, 23, and 24 deleted; and
- the SBSTA supplementary agenda (FCCC/SBSTA/2023/5/Add.2) as amended, with agenda items 15, 16, 17, and 18 deleted.

**Election of officers:** Sultan Al Jaber was elected COP 28, CMP 18, and CMA 5 President by acclamation. The COP, CMP, and CMA also elected officers for various constituted bodies.

**Dates and venues of future sessions:** The COP adopted a decision (<u>FCCC/CP/2023/L.4</u>) accepting Azerbaijan's offer to host COP 29 from 11-22 November 2024, and Brazil's offer to host COP 30 from 10-25 November 2025.

Admission of observers: The COP adopted the report, admitting the observers listed (<u>FCCC/CP/2023/3</u>).

**Report on Credentials:** The COP, CMP, and CMA adopted the report on credentials (<u>FCCC/CP/2023/10-FCCC/KP/CMP/2023/8-FCCC/PA/CMA/2023/14</u>).

**Report of the Subsidiary Bodies:** In its plenary on <u>11</u> <u>December</u>, the COP took note of the reports of SBSTA 58 (FCCC/ <u>SBSTA/2023/4/Add.1</u>) and SBI 58 (FCCC/SBI/2023/10/Add.1) and adopted a decision on the Sixth Assessment Report (AR6) of the IPCC and a decision on linkages between the Technological Mechanism and the Financial Mechanism, contained therein.

**Budgetary, financial, and institutional matters:** Kishan Kumarsingh (Trinidad and Tobago) and Georg Børsting (Norway) co-chaired a contact group under the SBI, which met on <u>3</u> <u>December</u>, among others. Discussions centered on a note (FCCC/ <u>SBI/2023/INF.12/Rev.1</u>) by the Secretariat outlining its policy and criteria for engagement and collaboration with non-party stakeholders. Parties requested clarification on the mandate for the note, its status, and how they are expected to address it. The Secretariat recalled that SBI 58 mandated the preparation of the note and pointed to the Secretariat's continuous work on due diligence. The Co-Chairs highlighted there is no expectation for parties to engage in negotiations over the engagement policy, which could be noted.

On <u>11 December</u>, the COP adopted two decisions forwarded by SBI 58 and one decision forwarded by SBI 59, as amended orally to remove a reference to the Secretariat's note on its engagement with non-party stakeholders.

*Final Outcomes:* In its conclusion (<u>FCCC/SBI/2023/L.14</u>), the SBI requested the Secretariat to organize a session on its policy and criteria for engagement and collaboration with non-party stakeholders, to be held at SBI 60 (June 2024).

In its decision FCCC/SBI/2023/10/Add.1, the COP, inter alia:

• approves the programme budget for the biennium 2024-2025, amounting to EUR 74,105,511;

- requests the Secretariat's engagement and collaboration with non-party stakeholders to be funded through supplementary budget resources and partnerships and that these additional activities have no impact on party-driven mandates;
- notes the Secretariat is committed to updating its partnership policy with a view to ensuring its inclusivity and wide geographical distribution of future partnerships;
- adopts the indicative scale of contributions contained in the annex;
- urges parties that have not made contributions in full to the core budget for the current and/or previous bienniums to do so without further delay;
- requests the Secretariat to actively engage with parties in developing future biennium budget proposals;
- requests the Executive Secretary to undertake enhanced consultations with parties and increase the responsiveness of the Secretariat to mandates in preparing budget proposals for each biennium; and
- underscores the accountability of the Secretariat and reiterates that activities in the core and supplementary budgets must respond accurately and effectively to mandates from parties. The CMA endorsed the decision adopted by the COP (FCCC/

#### SBI/2023/10/Add.1).

In its <u>decision</u>, the COP approves the budget for the international transaction log for the biennium 2024-2025, amounting to EUR 3,321,311. In its <u>decision</u>, the CMP endorses the COP decision as it applies to the Kyoto Protocol.

In its decision (FCCC/SBI/2023/L.14/Add.1), the COP, inter alia:

- takes note of: the financial report and audited financial statements for 2022, the report of the UN Board of Auditors, and the information contained in the note providing an update reflecting adjustments to the work programme of the Secretariat for the biennium 2022-2023;
- urges the Executive Secretary to implement the auditors' recommendations and to give progress updates to parties; and
- urges parties that have not made contributions in full to the core budget for the current and/or previous bienniums to do so without further delay and to further contribute to the Trust Fund for Participation and to the Trust Fund for Supplementary Activities.

In its decision (FCCC/SBI/2023/L.14/Add.2), the CMP, *inter alia*:

- takes note of: the financial report and audited financial statements for 2022; the report of the UN Board of Auditors; and the information contained in the note providing an update reflecting adjustments to the work programme of the secretariat for the biennium 2022-2023;
- urges the Executive Secretary to implement the auditors' recommendations and to give progress updates to the parties; and
- urges parties that have not made contributions in full to the core budget for the current and/or previous bienniums to do so without further delay and to further contribute to the Trust Fund for Participation and to the Trust Fund for Supplementary Activities.

## First Global Stocktake

The GST is a key part of the Paris Agreement's ratchet mechanism. It is a collective assessment of efforts and results on all areas of the Paris Agreement. After an 18-month long technical phase, the task in Dubai was to complete the political phase of the Stocktake, which would offer a response to the technical phase's findings.

Informal consultations, co-facilitated by Alison Campbell (UK) and Joseph Teo (Singapore), convened throughout the first week under the Subsidiary Bodies (SBs), including on <u>1</u>, <u>2</u>, <u>3</u>, and <u>5 December</u>. In their closing plenary on <u>6 December</u>, the SBs decided to forward the matter to the CMA for further consideration. Beginning on <u>8 December</u>, Dan Jørgensen, Minister for Development and Global Climate Policy (Denmark), and Barbara Creecy, Minister of Environment, Forestry, and Fisheries (South Africa), undertook further consultations, in conjunction with the Presidency.

In informal consultations and informal informals held during the first week, parties completed a first read-through of the text and provided comments. This process resulted in a longer document with over 80 options for ministers to consider.

There were backward- and forward-looking aspects to each section. The backward-looking aspects aimed to arrive at a common narrative of progress and gaps. The forward-looking sections aimed to provide a response to that narrative.

On the preamble, several countries called for recognition of human rights, gender equality, and Indigenous Peoples' rights. Some developing countries stressed the need to recognize that all efforts must be in the context of sustainable development and poverty eradication.

On context and cross-cutting elements, countries debated how, and which, references to IPCC AR6 to include. While the ALLIANCE OF SMALL ISLAND STATES (AOSIS) and many others called for recognition of 1.5°C, a few developing countries underlined the need to reflect the Paris Agreement temperature goal in full.

There were lengthy debates on whether to reference the principles of the Convention, particularly CBDR. Developed countries viewed the GST as under the Paris Agreement, which they intimated is not under the Convention. Many developing countries disagreed, stressing CBDR and other aspects of the Convention apply to the Paris Agreement and, in turn, the GST.

On mitigation, in the backward-looking section, there was broad agreement that the Paris Agreement has had some effect, in that emissions growth trajectories are now lower than business-as-usual scenarios. There was also broad agreement that much work remains and current policies are insufficient to meet the Paris Agreement temperature goals.

Much of the debate focused on whether or how to reflect countries' differentiated, historical contributions to GHG emissions. Those in favor of greater recognition and detail around historical contributions questioned the need for including IPCC scenarios given that these scenarios do not fully reflect equity or CBDR.

In the forward-looking section, energy transition attracted considerable attention. Parties debated language around a phase down or phase out of, potentially abated or unabated, fossil fuels. Only a handful of countries rejected the notion entirely, urging a focus on emissions, not the sources of the emissions. Several countries supporting a phase down of fossil fuels suggested coupling the language with an acceleration of renewable energy to provide a strong signal on the transition's direction.

There was broad support for tripling renewable energy capacity and doubling energy efficiency. Some called for the inclusion of carbon capture utilization and storage (CCUS), with several saying this should be limited to sectors that are difficult to abate.

Many developing countries drew a strong connection between the energy transition and the provision of finance, with calls for grantbased finance to support the acceleration of renewable energy and just transitions.

On adaptation, discussions on the backward-looking section focused on how to capture the link between mitigation, adaptation, and loss and damage. Some wanted to recognize the IPCC's work that shows the increased need for adaptation associated with high global average temperatures. Others suggested recognizing the soft and hard limits to adaptation.

Forward-looking discussions were largely set aside during discussions, as parties awaited the outcomes of the GGA negotiations. Many developing countries urged recognition of the Glasgow Climate Pact commitment to double adaptation finance, while developed countries sought to group all finance-related calls in the means of implementation section.

On loss and damage, many supported welcoming the operationalization and capitalization of the loss and damage fund. Developing country groups supported language on ongoing contributions. There was openness by some for a suggestion from some developing countries to establish loss and damage inventories to monitor and measure loss and damage at the national level.

On means of implementation, there were disagreements on how to reference the historic provision of climate finance in the backward-looking section. This included the failure to realize the USD 100 billion per year by 2020 commitment, with some developed countries suggesting, refuted by some developing countries, that the goal was met in 2022.

On the forward-looking section, parties debated how much to include without prejudging the outcome on the new collective quantified goal (NCQG) or the discussions under the Standing Committee on Finance (SCF). Developing countries were clear that finance, technology transfer and development, and capacity building were fundamental to unlock the necessary ambition. Least developed countries (LDCs) and small island developing states (SIDS) urged reference to their special circumstances.

Developed countries called for a reference to Paris Agreement Article 2.1(c) (aligning financial flows with low-GHG emissions and climate-resilient development). They stressed the need to reform multilateral development banks and to mobilize private finance to meet the scale of the needs of developing countries.

On response measures, some developing countries called for the section on a just transition to be given greater prominence, including through a stand-alone section in the decision.

On the way forward, there was a divide between many countries that wanted the GST to send a signal that the next round of NDCs should align with 1.5°C. A couple of developing country groups stressed the nationally determined nature of the Paris Agreement and NDCs and rejected this proposal.

On <u>10 December</u>, the Presidency convened a "Majlis" in which ministers and Heads of Delegation met in a colosseum setting to foster "heart to heart" discussions. Although few concrete proposals were evident, the discussions saw: strong calls for language on fossil fuel phase out from both developed and many developing countries; and acknowledgment by a number of developed countries that emission reductions will not happen at the same speed in all countries and many developing countries will need support for the transition to renewable energy.

On <u>11 December</u>, the Presidency presented a draft text that was widely rejected in a Heads of Delegation meeting, largely because it failed to include strong language on the energy transition, including a phase out of fossil fuels. The Presidency and others, including UN Secretary-General António Guterres, continued to hold consultations until the early hours of 13 December. In the morning of 13 December, the Presidency issued a revised draft decision that the CMA adopted during its closing plenary.

*Final Outcome:* In the CMA's lengthy decision (<u>FCCC/PA/</u><u>CMA/2023/L.17</u>), the preamble, *inter alia*, underlines the critical role of multilateralism based on UN values and principles, including in the context of the implementation of the Convention and the Paris Agreement, and the importance of international cooperation for addressing global issues, including climate change, in the context of sustainable development and efforts to eradicate poverty.

On context and cross-cutting issues, the CMA, inter alia:

- underlines that, despite overall progress on mitigation, adaptation, and means of implementation and support, parties are not yet collectively on track towards achieving the purpose of the Paris Agreement and its long-term goals;
- underscores the impacts of climate change will be much lower at the temperature increase of 1.5°C compared with 2°C and resolves to pursue efforts to limit the temperature increase to 1.5°C;
- commits to accelerate action in this critical decade on the basis of the best available science, reflecting equity and the principle of CBDR-RC in light of different national circumstances and in the context of sustainable development and efforts to eradicate poverty; and
- notes with concern the pre-2020 gaps in both mitigation ambition and implementation by developed country parties and that the IPCC had earlier indicated that developed countries must reduce emissions by 25-40% below 1990 levels by 2020, which was not achieved.

The CMA further notes several findings of IPCC AR6 and welcomed the report.

On mitigation, the CMA, inter alia:

- acknowledges significant collective progress towards the Paris Agreement temperature goal has been made, from an expected global temperature increase of 4°C according to some projections prior to the adoption of the Agreement to an increase in the range of 2.1-2.8°C with the full implementation of the latest NDCs;
- notes with concern the findings of IPCC AR6 that policies implemented by the end of 2020 are projected to result in higher global GHG emissions than those implied by the NDCs, indicating an implementation gap, and resolves to take action to urgently address this gap;
- expresses concern that the carbon budget consistent with achieving the Paris Agreement temperature goal is now small and being rapidly depleted and acknowledges that historical cumulative net CO2 emissions already account for about fourfifths of the total carbon budget for a 50% probability of limiting global warming to 1.5°C; and
- recognizes limiting global warming to 1.5°C with no or limited overshoot requires deep, rapid, and sustained reductions in global GHG emissions of 43% by 2030 and 60% by 2035 relative to the 2019 level and reaching net zero CO2 emissions by 2050.

On the way forward for mitigation, the CMA calls on parties to contribute to the following global efforts, in a nationally determined manner, taking into account the Paris Agreement and their different national circumstances, pathways and approaches:

- tripling renewable energy capacity globally and doubling the global average annual rate of energy efficiency improvements by 2030;
- accelerating efforts towards the phase-down of unabated coal power;
- accelerating efforts globally towards net zero emission energy systems, utilizing zero- and low-carbon fuels well before or by around mid-century;
- transitioning away from fossil fuels in energy systems, in a just, orderly, and equitable manner, accelerating action in this critical decade so as to achieve net zero by 2050, in keeping with the science;
- accelerating zero- and low-emission technologies, including, *inter alia*, renewables, nuclear, abatement and removal technologies such as carbon capture and utilization and storage, particularly in hard-to-abate sectors, and low-carbon hydrogen production;
- accelerating and substantially reducing non-CO2 emissions globally, including in particular methane emissions by 2030;
- accelerating the reduction of emissions from road transport on a range of pathways, including through development of infrastructure and rapid deployment of zero-and low-emission vehicles; and
- phasing out inefficient fossil fuel subsidies that do not address energy poverty or just transitions, as soon as possible.

The CMA recognizes transitional fuels can play a role in facilitating the energy transition while ensuring energy security. It encourages parties to come forward in their next NDCs with ambitious, economy-wide emission reduction targets, covering all GHGs, sectors, and categories, and aligned with limiting global warming to 1.5°C, as informed by the latest science, in light of different national circumstances.

On adaptation, the CMA, inter alia:

- recognizes the increasing adaptation planning and implementation efforts undertaken by parties towards enhancing adaptive capacity, strengthening resilience and reducing vulnerability, as set out in national adaptation plans (NAPs), adaptation communications, and NDCs, as appropriate,
- recognizes the significant challenges developing country parties face in accessing finance for implementing their NAPs;
- notes there are gaps in implementation of, support for, and collective assessment of the adequacy and effectiveness of adaptation, and monitoring and evaluation of outcomes is critical for tracking the progress and improving the quality and awareness of adaptation action; and
- recognizes one-third of the world does not have access to early warning and climate information services, as well as the need to enhance coordination of activities by the systematic observation community.

On forward-looking elements of adaptation, the CMA, inter alia:

• calls for urgent, incremental, transformational, and countrydriven adaptation action based on different national circumstances;

- calls on parties that have not yet done so to have their NAPs, policies, and planning processes in place by 2025 and to have progressed in implementing them by 2030;
- requests the Secretariat to prepare a regular synthesis report on adaptation information provided by parties in their biennial transparency reports (BTRs), adaptation communications and NDCs; and
- calls on parties to enhance their adaptation efforts in line with what is needed to achieve the goal in Article 2.1(b) of the Paris Agreement (increasing adaptation capacity) and the GGA, taking into account the framework for the GGA adopted at CMA 5.

The CMA further urges parties and invites non-party stakeholders to increase ambition and enhance adaptation action and support, to accelerate action at scale and at all levels, from local to global, in alignment with other global frameworks, towards the achievement of the 2030 targets adopted by the GGA framework.

The CMA affirms that the GGA framework includes its targets in relation to the dimensions of the iterative adaptation cycle, recognizing the need to enhance adaptation action and support, and affirms efforts in relation to the targets shall be made in a manner that is country-driven, voluntary, and in accordance with national circumstances, take into account sustainable development and poverty eradication, and do not constitute a basis for comparison between parties.

On finance, the CMA, inter alia:

- highlights the growing gap between the needs of developing country parties, in particular those due to the increasing impacts of climate change compounded by difficult macroeconomic circumstances, and the support provided and mobilized for their efforts to implement their NDCs, highlighting that such needs are currently estimated at USD 5.8-5.9 trillion for the pre-2030 period;
- highlights the adaptation finance needs of developing countries are estimated at USD 215-387 billion annually up until 2030, and about USD 4.3 trillion per year needs to be invested in clean energy up until 2030, increasing thereafter to USD 5 trillion per year up until 2050, to be able to reach net-zero emissions by 2050;
- emphasizes the ongoing challenges faced by many developing countries in accessing climate finance and encourages further efforts, including by the Financial Mechanism's operating entities, to simplify access to such finance, in particular for those developing country parties that have significant capacity constraints, such as LDCs and SIDS;
- welcomes recent progress made by developed countries in the provision and mobilization of climate finance and notes the increase in climate finance from developed countries in 2021 to USD 89.6 billion and the likelihood of meeting the goal in 2022, and looks forward to further information on the positive progress;
- notes the efforts of developed country parties to make progress in at least doubling adaptation finance from 2019 levels by 2025;
- notes with deep regret that the goal of developed country parties to mobilize jointly USD 100 billion per year by 2020 in the context of meaningful mitigation actions and transparency on implementation was not met in 2021, including owing to challenges in mobilizing finance from private sources, and welcomes the ongoing efforts of developed country parties

towards achieving the goal of mobilizing jointly USD 100 billion per year; and

- notes with concern that the adaptation finance gap is widening, and current levels for adaptation remain insufficient to respond to worsening climate change impacts in developing countries, especially those that are particularly vulnerable.
- On the way forward for finance, the CMA, inter alia:
- strongly urges the Financial Mechanism's operating entities to make full use of their current replenishment, calls on multilateral development banks and other financial institutions to further scale up investments in climate action, and calls for a continued increase in the scale, and effectiveness of, and simplified access to, climate finance, including in the form of grants and other highly concessional forms of finance;
- urges developed countries to continue to provide support and encourages other parties to provide, or continue to provide support, on a voluntary basis, for activities to address loss and damage and invites financial contributions, with developed countries continuing to take the lead to provide financial resources for commencing the operationalization;
- decides to continue and strengthen the Sharm el-Sheikh Dialogue to exchange views on and enhance understanding of the scope of Article 2.1(c) of the Paris Agreement and its complementarity with Article 9 of the Paris Agreement;
- recognizes the transition to a mode of work to enable the development of a draft negotiating text for the setting of the NCQG;
- underscores the importance of reforming the multilateral financial architecture and calls on the shareholders of multilateral development banks to continue to significantly scale up the provision of climate finance, in particular through grants and concessional instruments;
- establishes a dialogue on implementing the GST outcomes that will be operationalized at CMA 6 (2024) and conclude at CMA 10 (2028) and requests SBI 60 to develop the modalities for the CMA 6 work programme;
- agrees to convene a high-level ministerial dialogue at CMA 6 on the urgent need to scale up adaptation finance, taking into account the adaptation-related outcomes of the GST, and to ensure the mobilization by developed countries of the adaptation support pledged; and
- urges developed countries to prepare a report on the doubling of the collective provision of climate finance for adaptation to developing countries from 2019 levels by 2025, to achieve a balance between mitigation and adaptation in the provision of scaled-up financial resources, for consideration by CMA 6.

On **technology development and transfer**, the CMA, *inter alia*, highlights the persistent gaps and challenges in technology development and transfer and the uneven pace of adoption of climate technologies around the world and urges parties to address these barriers and strengthen cooperative action, including with non-party stakeholders, particularly the private sector, to rapidly scale up the deployment of existing technologies, the fostering of innovation, and the development and transfer of new technologies.

On the way forward on technology development and transfer, the CMA establishes a technology implementation programme, supported by, *inter alia*, the operating entities of the Financial Mechanism, to strengthen support for the implementation of technology priorities identified by developing countries, and to address the challenges identified in the first periodic assessment of the Technology Mechanism, and invites SBI 61 (November 2024) to take into account the technology implementation programme in its consideration of the Poznan strategic programme on technology transfer, with a view to recommending a draft decision for consideration and adoption by CMA 6.

On capacity building, the CMA, inter alia:

- welcomes progress in capacity building at individual, institutional, and systemic levels since the adoption of the Paris Agreement, including through work under the Paris Committee on Capacity-building (PCCB), the Capacity-building Initiative for Transparency, and the Action for Climate Empowerment agenda; and
- acknowledges developing countries continue to have persistent gaps in capacity and urgent needs for effectively implementing the Paris Agreement, including related to skills development, institutional capacity for governance and coordination, technical assessment and modeling, strategic policy development and implementation, and capacity retention, and recognizes the urgent need to address these gaps and needs that are constraining the effective implementation of the Paris Agreement.

On the way forward on capacity building, the CMA, inter alia:

- requests the PCCB to identify, in coordination with parties, other constituted bodies and programmes and relevant stakeholders, current activities for enhancing the capacity of developing countries to prepare and implement NDCs, and also requests the Secretariat to facilitate the sharing of knowledge and good practices for the preparation and implementation of NDCs, including through workshops; and
- requests the Financial Mechanism's operating entities and the Adaptation Fund to further enhance support for capacity building in developing countries and to provide updates in their annual reports to the CMA and encourages parties to further enhance support for capacity building, including through international cooperation.

On loss and damage, the CMA, inter alia:

- recognizes advancements in international efforts to avert, minimize, and address loss and damage associated with climate change impacts, including extreme weather events and slow onset events, in developing countries that are particularly vulnerable to the adverse effects of climate change, including the progress of work made under the Warsaw International Mechanism on loss and damage (WIM), the establishment of the Santiago Network and progress in its operationalization; and
- expresses deep concern regarding the significant economic and non-economic loss and damage associated with the adverse effects of climate change for developing countries, resulting, *inter alia*, in reduced fiscal space and constraints in realizing the Sustainable Development Goals (SDGs).

On the way forward on loss and damage, the CMA, inter alia:

 calls on parties and relevant institutions to improve coherence and synergies between efforts pertaining to disaster risk reduction, humanitarian assistance, rehabilitation, recovery and reconstruction, and displacement, planned relocation and migration, in the context of climate change impacts, as well as actions to address slow-onset events, to make progress in averting, minimizing, and addressing loss and damage associated with climate change impacts in a coherent and effective manner;

- requests the WIM Executive Committee (ExCom) to prepare, building on the work of its expert groups, technical expert group and task force voluntary guidelines for enhancing the collection and management of data and information to inform the preparation of BTRs;
- requests the Secretariat to prepare on a regular basis a synthesis report, for consideration by the WIM ExCom, on information on loss and damage provided by parties in their BTRs and other national reports under the Paris Agreement, with a view to enhancing the availability of information on loss and damage, including for the purpose of monitoring progress in responding thereto at the national level; and
- encourages interested developing countries to seek technical assistance through the Santiago Network for undertaking reporting-related actions.

On **response measures**, the CMA, *inter alia*, underscores the social and economic opportunities and challenges that arise from efforts to achieve the Paris Agreement temperature goal.

On the way forward on response measures, the CMA, inter alia,

- encourages parties to consider developing methodologies and tools for assessing and analyzing the impacts of the implementation of response measures, with a view to minimizing the negative and maximizing the positive impacts of response measures, with a particular focus on the creation of decent work and quality jobs and on economic diversification;
- further encourages parties to establish capacity-building partnerships and networks for increasing the number of developing countries that are developing and using methodologies and tools for assessing the impacts of the implementation of response measures;
- encourages parties, in their efforts to diversify their economies, to pursue relevant policies in a manner that promotes sustainable development and the eradication of poverty, taking into account national circumstances;
- requests the forum on the impact of the implementation of response measures and its Katowice Committee on Impacts (KCI) to intensify efforts to implement the recommendations outlined in relevant decisions of the COP, CMP, and CMA, including by enhancing cooperation among parties, stakeholders, external organizations, experts, and institutions and by enabling the exchange of information, experience, and best practices among parties with a view to increasing their resilience to these impacts; and
- requests the forum and its KCI in performing their functions to implement in line with the best available science and take into account different national circumstances.

On **international cooperation**, the CMA, *inter alia*, reaffirms its commitment to multilateralism, especially in the light of the progress made under the Paris Agreement and resolves to remain united in the pursuit of efforts to achieve the purpose and long-term goals of the Agreement;

On the way forward, the CMA, inter alia:

- urges parties and non-party stakeholders to join efforts to accelerate delivery through inclusive, multilevel, gender-responsive, and cooperative action; and
- encourages international cooperation and the exchange of views and experience among non-party stakeholders at the local, subnational, national, and regional levels, including conducting

joint research, personnel training, practical projects, technical exchanges, project investment, and standards cooperation.

On **guidance and the way forward**, the CMA, *inter alia*, recalls several provisions of the Paris Agreement in relation to NDCs, in particular that NDCs are nationally determined and successive NDCs should demonstrate progressively more ambition. The CMA further, *inter alia*:

- encourages parties to communicate in 2025 their NDCs with an end date of 2035;
- invites all parties to put in place new or intensify existing domestic arrangements for preparing and implementing their successive NDCs;
- encourages parties to take into account the good practices and opportunities identified during the technical dialogue of the first GST in enhancing their actions and support;
- requests the SBSTA Chair to hold an expert dialogue on mountains and climate change at SBSTA 60 (June 2024);
- requests the SBI 60 to hold an expert dialogue to discuss the disproportionate impacts of climate change on children and relevant policy solutions in this regard;
- invites the IPCC to consider how best to align its work with the second and subsequent GSTs and invites the IPCC to provide relevant and timely information for the next GST;
- invites the relevant work programmes and constituted bodies under or serving the Paris Agreement to integrate relevant outcomes of the first GST in planning their future work, in line with their mandates;
- requests the SB 60 Chairs to organize an annual GST dialogue to facilitate the sharing of knowledge and good practices on how the outcomes of the GST are informing the preparation of parties' next NDCs in accordance with the relevant provisions of the Paris Agreement and requests the Secretariat to prepare a report for consideration at its subsequent session;
- encourages the relevant operating entities of the Financial Mechanism and the constituted bodies under or serving the Paris Agreement to continue to provide, within their mandates, capacity-building support for the preparation and communication of NDCs;
- decides to launch, under the guidance of the CMA 5, 6, and 7 Presidencies, a set of activities ("Road map to Mission 1.5") to significantly enhance international cooperation and the international enabling environment to stimulate ambition in the next round of NDCs, with a view to enhancing action and implementation over this critical decade and keeping 1.5°C within reach;
- decides that consideration of refining the procedural and logistical elements of the overall GST process on the basis of experience gained from the first GST shall commence at SB 60 and conclude at CMA 6; and
- decides the information collection and preparation component of the second GST shall start at CMA 8 (2026) and its consideration of outputs component will conclude at CMA 10.

## Mitigation

**Mitigation Ambition and Implementation Work Programme** (**MWP**): Discussions on this item aimed to consider progress, opportunities, and barriers in implementing the work programme, taking into account the annual report of the Mitigation Work Programme (FCCC/SB/2023/8) and its key findings. Discussions were conducted under the SBs and later in the CMA. Informal consultations, co-facilitated by Kay Harrison (New Zealand) and Carlos Fuller (Belize), convened on, among other days, on 1, 2, 3, 4, 5, 8, and 9 December.

Key issues of debate in informal consultations focused on reflecting on the first year of the work programme and identifying areas for improvement, such as the participation of experts and expansion of the scope of the dialogues to include additional sectors. Some parties called for organizing regional dialogues; others said the work programme was designed to be global.

Divergent views were also presented on whether to include elements of the report of the global dialogues in the decision text. Some parties preferred simply acknowledging the report as a whole to ensure balanced representation of views. Some wanted to include substantive findings, noting they were reported at the high-level ministerial on pre-2030 ambition. Others wanted to specify the report does not reflect all views and was not party-driven, the topic—accelerating a just energy transition—was selected by the work programme's Co-Chairs, and a new topic should be chosen for 2024.

On the way forward, many parties called for text that identifies opportunities to increase mitigation ambition in line with 1.5°C, as well as actionable solutions to help parties implement increased ambition, including calls to transition from fossil fuels to renewable energy, scale up renewable energy and promote energy efficiency, eliminate fossil fuel subsidies, peak global emissions by 2025, reduce emissions rapidly by 2030, and achieve net-zero by 2050.

Other parties opposed this approach, noting the work programme is in its infancy and suggested the decision focus on reflecting on the first year of implementation and how to improve the work programme. Several also opposed attempts to use the work programme to impose new targets on developing countries. Some parties opposed text on following up on the mitigation aspects of the GST and the Glasgow Climate Pact, saying this is beyond the work programme's mandate. They also opposed including text on the best available science and the IPCC's findings.

Ministerial consultations under the CMA were co-facilitated by Espen Barth Eide, Minister of Foreign Affairs (Norway), and Grace Fu, Minister for Sustainability and the Environment (Singapore). On <u>9 December</u>, ministers reported many countries signed up for tripling renewables and doubling energy efficiency. Eide said disagreement remained on language regarding fossil fuels and referencing CBDR-RC and equitable transition, with some calling for transition for all with more support, and some for dividing the carbon budget. Negotiations on this matter were finalized in ministerial and Presidency consultations on 10-12 December.

The Annual High-level Ministerial Roundtable on pre-2030 Ambition, convened on <u>9 December</u>, focused on the MWP and accelerating the just energy transition. The MWP Co-Chairs presented the findings of the MWP's annual report (<u>FCCC/</u><u>SB/2023/8</u>), citing high upfront costs as a common barrier for solutions such as energy efficiency, grid and energy storage, and transportation infrastructure.

In its closing plenary on 13 December, the CMA adopted its decision.

*Final Outcome*: In its decision (<u>FCCC/PA/CMA/2023/L.16</u>), the CMA, *inter alia*:

 welcomes the focused exchange of views, information, and ideas among participants during the global dialogues and investmentfocused events held under the work programme in 2023 on the topic of accelerating just energy transitions, including in transport systems, noting that the topics were decided by the Co-Chairs pursuant to paragraph 13 of decision 4/CMA.4;

- welcomes the organization of and takes note of the discussion at the second Annual High-level Ministerial Roundtable on pre-2030 Ambition held on 9 December 2023, and welcomes the presentation on the annual report made by the work programme Co-Chairs, including on key findings, opportunities, and barriers in implementing the work programme in 2023;
- notes the key findings, opportunities, barriers, and actionable solutions summarized in the annual report on the work programme, recognizing it does not represent an exhaustive summary of all views, including, *inter alia*, in relation to renewable energy, grid and energy storage, carbon dioxide capture and use and carbon dioxide capture and storage, energy efficiency, deploying and shifting to collective and nonmotorized modes of transport, energy and resource efficiency in the transport sector, electrification of vehicles and shifting to low or zero-carbon fuels, as well as the information in the annual report on associated policies and measures, financing issues, technology and capacity, and sustainable development and socio-economic impacts;
- encourages parties and non-party stakeholders to submit by 1 February 2024 suggested topics to be discussed at the global dialogues in 2024;
- recalls the work programme's Co-Chairs, considering the submissions, will decide on and communicate by 1 March 2024 the topics to be discussed at each dialogue in 2024, noting successive global dialogues should cover different topics;
- encourages parties and other non-party stakeholders to submit views on opportunities, best practices, actionable solutions, challenges, and barriers relevant to the topic of each dialogue four weeks before each dialogue;
- requests the Secretariat to organize, under the guidance of the work programme's Co-Chairs, future global dialogues and investment-focused events in a manner that enables effective engagement of participants, including by announcing the topic, date, and venue, and sharing the agenda well in advance, expanding virtual participation opportunities, and inviting more representatives from multilateral development banks and other financial institutions;
- recalls other in-person or hybrid dialogues may be held each year in conjunction with existing events, such as the Regional Climate Weeks, at the discretion of the work programme's Co-Chairs with a view to ensuring inclusive and balanced geographical representation at the dialogues;
- requests the Secretariat to include, under the guidance of the work programme's Co-Chairs, information on the investmentfocused events in the report on each of the global dialogues; and
- requests the SBs to consider progress, including key findings, opportunities, and barriers, in implementing the work programme at each of their sessions, starting at the SB 60 sessions (June 2024), until SB 65 (November 2026).

Matters Relating to Paris Agreement Article 6: *Guidance* on *Cooperative Approaches referred to in Article 6.2:* Article 6.2 provides a framework of principles and guidance for parties that wish to pursue voluntary cooperation in the implementation of their NDCs, and specifically in relation to cooperative approaches that involve the use of internationally transferred mitigation outcomes (ITMOs), the use of which is authorized by participating parties. This sub-item was considered in informal consultations under the SBSTA on 1, 2, 3, 4, 5, and 6 December, and in informal consultations under the CMA on 8 and 9 December, both co-facilitated by Maria AlJishi (Saudi Arabia) and Peer Stiansen (Norway).

Under the SBSTA, discussions focused on sections of CMA draft decision text relating to authorization of cooperative approaches and ITMOs, including their timing, content, revision, and revocation. Parties' views differed, *inter alia*, on whether revocations should be allowed. Some groups, opposed by others, called for defining "cooperative approaches," with one group suggesting cooperative approaches must involve at least two parties, and others pointing out that other international uses of ITMOs, such as the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), would not fit this definition. One party noted that any definition of cooperative approaches would need to cover a broad range of possible approaches. Parties also discussed sections relating to authorization of entities, application of first transfer, tables for submitting annual information as part of the regular information, agreed electronic format, and common nomenclatures.

On <u>6 December</u>, the SBSTA adopted conclusions (<u>FCCC/</u><u>SBSTA/2023/L.12</u>), forwarding a bracketed decision text for the CMA's consideration, noting it does not represent consensus. Under the CMA, parties continued discussions on the same sections. One country requested adding, as an alternative option to the entire text, a moratorium on carbon markets within the Paris Agreement, which parties later agreed to remove.

Two joint informal consultations on Articles 6.2 and 6.4 also took place, on <u>3</u> and <u>4 December</u>, focused on transfer of units and authorization. On transfer of units, parties expressed their views on if, and how, the international registry under Article 6.2, the Article 6.4 mechanism registry, and national registries, should be connected. On authorizations, parties discussed their timing and content. Views differed on whether an authorization template should be mandatory, voluntary, or necessary altogether. Parties considered the permissibility of revocation of authorizations, as well as the timing of authorizations, whether: at any time; prior to; at the time of; or after achieving the mitigation outcomes.

In a contact group on Tuesday, 12 December, the Co-Chairs presented parties with a revised text prepared under the authority of the Presidency. Parties expressed gratitude for the Co-Chairs' engagement. The EU, INDEPENDENT ASSOCIATION FOR LATIN AMERICA AND THE CARIBBEAN (AILAC), COALITION FOR RAINFOREST NATIONS (CfRN), and MEXICO expressed opposition to the text, noting the need for clarity on authorization. The UK emphasized opposition to revocation post-first transfer. UKRAINE expressed disappointment that some parties blocked carbon markets.

The LDCs and the AFRICAN GROUP emphasized willingness to adopt the 6.2 and 6.4 package as a whole, but not the 6.2 text by itself. AOSIS pointed to possible improvements over time and expressed willingness to accept it. AOSIS also expressed hope that a package of decisions on 6.4 and 6.2 could be adopted, supported by the EU, CfRN, and SINGAPORE, who also called for the Presidency to allow more time to find a solution for 6.2 and 6.4. The US considered it not feasible to reach agreement in the remaining time and said it would not accept the draft as a basis for future work. The AFRICAN GROUP and BRAZIL emphasized using the text for future work. The Co-Chairs noted a lack of consensus.

In its closing plenary on 13 December, the CMA noted the lack of agreement and requested the SBSTA to continue consideration of the matter at SBSTA 60 (June 2024) with a view to recommending a draft decision for consideration and adoption by CMA 6.

*Rules, Modalities, and Procedures for the Mechanism established by Article 6.4:* Article 6.4 establishes a mechanism, under the authority and guidance of the CMA, to contribute to the mitigation of GHG emissions and support sustainable development. This sub-item was considered in informal consultations under the SBSTA on <u>1</u>, <u>3</u>, <u>4</u>, <u>5</u>, and <u>6 December</u>, and in a contact group and informal consultations under the CMA on <u>2</u>, <u>5</u>, <u>8</u>, <u>9</u>, <u>10</u>, and <u>11 December</u>, all co-chaired and co-facilitated by Kate Hancock (Australia) and Sonam Tashi (Bhutan).

Under the SBSTA, parties discussed CMA draft decision text sections relating to emission avoidance and conservation enhancement activities, the Article 6.4 mechanism registry, authorization of Article 6.4 emissions reductions, and other matters. Most parties opposed any references to avoidance activities and called for concluding discussions at this session. Some viewed conservation enhancement activities as already included under Article 6.4.

On <u>6 December</u>, the SBSTA adopted conclusions (<u>FCCC/</u> <u>SBSTA/2023/L.13</u>), forwarding a bracketed decision text to the CMA's consideration.

Under the CMA, parties discussed: draft decision text; the Article 6.4 mechanism Supervisory Body's annual report; and two documents containing the Supervisory Body's recommendations, on requirements for the development and assessment of methodologies and for activities involving removals.

Most parties expressed concern with both recommendation documents, with many noting particular concerns with the removals document, including in relation to: determining the consequences of a failure to monitor; defining "reversals"; an absence of references to social and environmental safeguards and human rights; responsibilities of parties relating to reversals; and natural removalsspecific guidance. Parties agreed that they should mandate the Supervisory Body to undertake further work by CMA 6 (2024), but did not agree on a list of specific mandates. They debated whether to adopt, provisionally adopt, welcome, or acknowledge the work on these documents. Many cautioned against setting a precedent where all Supervisory Body recommendations will be subject to a revision.

Parties also discussed, *inter alia*: engagement by the Supervisory Body with experts; environmental and social safeguards; the Article 6.4 mechanism sustainable development tool and appeals and grievances procedure; timing and content of authorization and transfer of Article 6.4 emission reductions to the international registry; and authorization of mitigation contribution units.

In a contact group on 12 December, the Co-Chairs presented parties with a revised text prepared under the authority of the Presidency, noting it may not be perfect but that the process allows for an improvement over time. The EU, AILAC, and MEXICO opposed the text, underscoring that more work is needed on removals and human rights cannot merely be "acknowledged." CfRN also noted the current guidance on removals would be in conflict with agreed decisions. The AFRICAN GROUP emphasized the need to operationalize the mechanism, supporting adoption of the decision. The Co-Chairs noted a lack of consensus. In its closing plenary on 13 December, the CMA noted the lack of agreement and requested the SBSTA to continue consideration of the matter at SBSTA 60 (June 2024) with a view to recommending a draft decision for consideration and adoption by CMA 6.

*Work Programme under the Framework for Non-market Approaches referred to in Article 6.8:* Article 6.8 defines a framework for non-market approaches to sustainable development to promote the non-market approaches (NMAs) referred to in Article 6.8, which aim to assist parties in the implementation of their NDCs and to promote mitigation and adaptation ambition, in the context of sustainable development and poverty eradication. This sub-item was first considered in informal consultations under the SBSTA on 1, 4, 5, and 6 December, and in a contact group under the CMA on 8 and 9 December, both co-facilitated and co-chaired by Kristin Qui (Samoa) and Jacqui Ruesga (New Zealand).

Under the SBSTA, parties discussed draft SBSTA conclusions containing a progress report of the Glasgow Committee on NMAs, and a draft CMA decision on recommendations regarding ongoing and future work. In the decision text, parties debated a reference to carbon pricing as a domestic fiscal measure to implement climate policies. Many developing country groups opposed this, stating that carbon pricing is a market approach. Some also opposed a reference to nature-based solutions on the same basis. The EU supported the inclusion, observing that levies and taxes are economic, but not market instruments.

On other issues, some developing country groups called for deleting references to the GST. The LIKE-MINDED GROUP OF DEVELOPING COUNTRIES (LMDCs) and the ARAB GROUP, opposed by the EU, supported a proposal to establish a readiness programme for NMAs, with the EU noting a CMA 4 compromise on a capacity-building programme and existing support within the Financial Mechanism.

On <u>6 December</u>, the SBSTA adopted substantive conclusions (<u>FCCC/SBSTA/2023/L.11</u>) and forwarded a bracketed decision text for the CMA's consideration.

Under the CMA, parties continued discussions, including on carbon pricing, and on the UNFCCC web-based platform, with some noting the deadline for the platform's operationalization was missed, and debated a new deadline for this. They also discussed the purpose of the platform, namely whether to only record NMAs or publish or approve them. They also discussed the process for submitting and recording NMAs, and which individuals or entities can identify, develop, and implement NMAs.

One developing country group lamented the lack of equal progress across the three Article 6 sub-items, and proposed replacing the entire text with a call for developed countries to provide equitable funding arrangements to developing countries. This option was not included in the decision text.

In a contact group on 12 December, the Co-Chairs presented parties with a revised text prepared under the authority of the Presidency, noting it may not be perfect but that the process allows for an improvement over time. After initial reservations by the CfRN and the US, parties agreed to forward the text to the CMA for adoption, which it did on 13 December.

*Final Outcome:* In its decision (<u>FCCC/PA/CMA/2023/L.13</u>), the CMA, *inter alia:* 

• requests the Secretariat to complete the development of the UNFCCC web-based platform and fully operationalize it as soon as possible, and no later than the 5th meeting of the

Glasgow Committee on NMAs (June 2024), and to notify the UNFCCC national focal points for Article 6.8, where identified, of the deployment of the fully operational UNFCCC web-based platform;

- encourages interested parties to submit information on NMAs, including existing approaches, in the initial focus areas for the work programme activities for recording on the UNFCCC webbased platform;
- requests the Secretariat to develop and update, as necessary, a manual on the process for submitting and recording information on NMAs on the UNFCCC web-based platform;
- invites parties and observers to submit views and information on themes for spin-off groups and existing NMAs under the initial focus areas of the work programme activities by 31 March 2024; and
- requests the Secretariat to prepare a synthesis report on the submissions for consideration by the Glasgow Committee on NMAs at its 5th meeting, prepare a report on the workshop, including on the joint mitigation and adaptation approaches referred to in Article 5 (forests), and organize an in-session workshop, including roundtable discussions, to be held in conjunction with the 5th meeting of the Glasgow Committee on NMAs.

Aviation and maritime transport: In informal consultations on <u>4 December</u>, among others, co-facilitated by Martin Cames (Germany) and Pacifica Achieng Ogola (Kenya), parties continued their long-standing divide by discussing whether to recognize divergent views on the submissions from the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO), or simply acknowledge the exchange of views on the submissions.

The SBs, in accordance with rules 10(c) and 16 of the draft rules of procedure, agreed to include this item in the provisional agenda for the next session.

Matters relating to the Clean Development Mechanism (CDM): This agenda item was discussed in informal consultations under SBI co-facilitated by Kate Hancock (Australia) and Sonam Tashi (Bhutan). The primary issue considered was how to allocate residual resources held within the CDM Trust Fund, considering the upcoming expected end of the CDM. Parties considered where the resources should be reallocated to, with the three main proposed options being: the Adaptation Fund; Article 6 capacity building; or Article 6.2 infrastructure.

Several parties noted links between discussions here and CMP discussions about the future of the CDM and the level of funds the CDM Executive Board will require to operate for the rest of the life of the CDM. Some parties wanted to wait to adopt a decision until they had more clarity about how much the CDM Executive Board requires until the termination of the CDM. Others called for identifying how much can be safely transferred for other purposes without impacting the CDM Executive Board's continued operation, and then adopting a decision at this session to transfer those funds.

Most developing countries supported transferring some or all of the residual resources to the Adaptation Fund. For those that supported transferring some of the resources, they suggested also allocating some for Article 6 capacity building or Article 6 infrastructure. Most developed countries, while supporting transfers to the Adaptation Fund, also proposed allocating some of the funds to develop Article 6.2 infrastructure, such as the international registry and Centralized Accounting and Reporting Platform.

During its closing plenary on <u>6 December</u>, the SBI adopted conclusions. The CMP adopted a decision on CDM matters at its closing plenary.

*Final Outcomes*: In its conclusions (<u>FCCC/SBI/2023/L.20</u>), the SBI agrees to recommend to CMP 18 to consider this matter with a view to considering a transfer from the Trust Fund to the Adaptation Fund, and potentially to consider other areas in need of funding.

- In its decision (FCCC/KP/CMP/2023/L.2), the CMP, *inter alia*:
  decides to continue consideration of the functioning and operation of the processes and institutions under the CDM, including appropriate timeframes, at CMP 19 with a view to avoiding a gap before the operationalization of the corresponding processes under the mechanism established by Article 6.4 of the Paris Agreement;
- requests the Secretariat to prepare a technical paper on the necessary operations of the CDM registry, for consideration by SBI 60 (June 2024), covering, the handling of certified emission reductions (CERs) that remain in the CDM registry, including CERs in the Adaptation Fund account, the length of time during which CDM project participants may process CDM registry transactions, the treatment of CERs held in the CDM registry for projects for which issuance was requested prior to 1 January 2018 and for which the share of proceeds for administration has not been paid, and the linkage between CDM registry operations and the CDM information system and the international transaction log, including an analysis of future options that takes into account the operation of the CDM registry once disconnected from the international transaction log and its implications;
- requests the Secretariat to prepare a technical paper on the necessary level of resources for the functioning and operation of the processes and institutions under the CDM for consideration by SBSTA 60 (June 2024); and
- decides to authorize a transfer from the CDM Trust Fund to the Adaptation Fund, and potentially to other areas in need of funding.

**Matters relating to joint implementation:** During the opening plenary of the CMP on <u>30 November</u>, parties decided the Presidency would undertake consultations on this matter. In its closing plenary, the CMP adopted a decision.

*Final Outcome:* In its decision (<u>FCCC/KP/CMP/2023/L.4</u>), the CMP, *inter alia*:

- allocates part of the residual joint implementation financial resources to the implementation of digital and archival measures related to the joint implementation records as one of the remaining tasks for concluding the operations of the Joint Implementation Supervisory Committee;
- transfers, by 31 March 2024, any residual financial resources remaining from the joint implementation project under the Trust Fund for Supplementary Activities to a project for developing and operating the hard and soft information technology infrastructure necessary for facilitating the expedited implementation of Paris Agreement Article 6.2; and
- concludes the consideration of matters relating to joint implementation.

**Report of the high-level ministerial roundtable on increased ambition of Kyoto Protocol commitments:** In the CMP closing plenary on <u>11 December</u>, President Al Jaber noted parties could not reach consensus and the matter will therefore be put on the provisional agenda of CMP 19 (2024).

#### Adaptation

Work programme on the Global Goal on Adaptation: Parties reached the end of this two-year work programme in Dubai and sought to adopt a framework with targets, and potentially indicators, to operationalize the GGA. Informal consultations under the SBI were co-facilitated by Mattias Frumerie (Sweden) and Janine Felson (Belize) on 2, 3, 4, 5, 6, and 8 December.

The Co-Facilitators were mandated to draft a decision on the GGA framework. Parties underscored the need for targets and an overarching statement on the GGA's aspirations. Parties diverged on the inclusion of the principles of the Convention and Paris Agreement, particularly equity and CBDR-RC; overarching targets; strong provisions on means of implementation, particularly finance; quantifiable finance targets and accountability mechanisms; reporting requirements; urgency of enhanced adaptation action and support; and closing the adaptation gap.

On <u>10 December</u>, a Heads of Delegation consultation convened. Parties debated: timelines to achieve substantive and procedural targets; references to means of implementation; recognition of developing countries' special circumstances; and a stand-alone agenda for the GGA, among others. On 11 December, ministerial consultations were conducted and Presidency consultations continued into the early hours of 13 December. In the early morning of 13 December, the Presidency proposed a revised draft decision, which the CMA adopted in its closing plenary later that day.

*Final Outcome*: In its decision (<u>FCCC/PA/CMA/2023/L.18</u>), the CMA, *inter alia*:

- concludes the two-year Glasgow–Sharm el-Sheikh work programme, and adopt the framework for the GGA;
- agrees the purpose of the GGA framework is to guide the achievement of the GGA and the review of overall progress in achieving it with a view to reducing the increasing adverse impacts, risks, and vulnerabilities associated with climate change, as well as to enhance adaptation action and support;
- agrees the GGA framework should guide and strengthen efforts on long-term transformational and incremental adaptation towards reducing vulnerability and enhancing adaptive capacity and resilience; be inclusive in terms of adaptation approaches; and take into account best available science and the worldviews and values of Indigenous Peoples;
- urges parties and invites non-party stakeholders to increase ambition and enhance adaptation action and support, in order to accelerate swift action at scale and at all levels, from local to global, in alignment with other global frameworks, towards the achievement of, *inter alia*, the following targets by 2030, and progressively beyond: significantly reducing climate-induced water scarcity and enhancing climate resilience to waterrelated hazards; attaining climate-resilient food and agricultural production and supply and distribution of food; attaining resilience against climate change-related health impacts; reducing climate impacts on ecosystems and biodiversity; increasing the resilience of infrastructure and human settlements; substantially reducing the adverse effects of climate change on poverty eradication and livelihoods; and protecting cultural heritage;

- decides that the GGA framework includes the following targets for parties in relation to the dimensions of the iterative adaptation cycle: conduct an impact, vulnerability, and risk assessment by 2030; establish multi-hazard early warning systems by 2027; establish climate information services for risk reduction and systematic observation by 2027; establish country-driven, gender-responsive, participatory, and transparent NAPs, policies, and strategies by 2030 and implement them; and design, establish, and operationalize a system for monitoring, evaluation, and learning for their national adaptation efforts, which is supported by institutional capacity by 2030;
- affirms no additional reporting burden is placed on parties, but invites them to voluntarily include quantitative and qualitative information of their progress on the targets and lessons learned in other reporting requirements under the Paris Agreement;
- recognizes the importance of adaptation finance and the need to accelerate efforts and make it an accessible and simplified process;
- urges developed countries to at least double their collective provision of climate finance for adaptation to developing countries;
- urges developed countries and other parties to mobilize support towards developing countries' implementation of the GGA framework;
- decides to launch a two-year work programme on indicators for measuring progress achieved towards the targets, which will be carried out jointly by the SBs;
- invites the Adaptation Committee to support the implementation of the GGA framework with technical guidance and training materials, and to develop recommendations on how to improve reporting on adaptation action and progress;
- requests the Secretariat to examine how transformational adaptation can be defined and how the progress in transformational approaches might be assessed at the global level; and
- requests the LDC Expert Group (LEG) to update the technical guidelines for the NAPs process, taking into consideration this decision and best available science.

**Report of the Adaptation Committee and review of the progress, effectiveness, and performance of the Committee:** In informal consultations under the SBs, co-facilitated by Pilar Bueno (Argentina) and Roberta Ianna (Italy), parties considered the report of the Adaptation Committee (<u>FCCC/SB/2023/5</u>). Informal consultations took place on <u>2</u>, <u>4</u>, and <u>5 December</u>.

During their discussions, various parties suggested, *inter alia*, adding forward-looking elements to increase resilience and called for greater engagement with the IPCC, especially Working Group II (Impacts, Adaptation, and Vulnerability). Parties spent much of their time discussing how to present and consider the report and the review.

In the COP and CMA plenaries on <u>11 December</u>, President Al Jaber noted that the SBs could not complete their work on this matter. The matter will be included on the provisional agenda for SB 60 (June 2024).

**National Adaptation Plans:** Informal consultations under SBI were co-facilitated by Antwi-Boasiko Amoah (Ghana) and Jens Fugl (Denmark) on <u>2</u>, <u>3</u>, and <u>5 December</u>.

In informal consultations, parties considered the heavily bracketed text from SBI 58 (June 2023), which they called "the Bonn text," as well as a text reflecting views shared at this SBI meeting. They turned to a "textual building blocks" document, but could not reach consensus on a decision.

Developing countries continued to urge the rapid scaling up of finance, technology, and capacity-building support to help turn adaptation plans into adaptation implementation. Developed countries preferred such discussions to take place in the means of implementation negotiations.

Views sharply diverged on the relationships of the LEG and the Adaptation Committee with other constituted bodies, including the SCF, among others.

*Final Outcome:* The SBI adopted conclusions (FCCC/ SBI/2023/L.23), in which it, *inter alia*, notes the actions and steps necessary to initiate the assessment of progress in the process of formulating and implementing NAPs, and agrees to continue considering this matter at SBI 60 (June 2024).

**Matters related to LDCs:** In informal consultations cofacilitated by Jens Fugl (Denmark) and Bob Natifu (Uganda), the SBI considered the report from the LEG (<u>FCCC/SBI/2023/17</u>), which supports LDCs in a range of adaptation-related activities. Parties met on <u>4 December</u>, among others.

On experience sharing, views diverged on whether to "urge" or "invite" countries to share experiences in adaptation planning and implementation and whether this should be directed to "all" or "developed" countries. On resource provision, parties disagreed on whether to call on "all" or "developed" countries to continue to support the implementation of the LEG work programme. On requests to the LEG, some parties opposed the additions, considering these more appropriate for discussions on guidance to the Green Climate Fund (GCF).

*Final Outcome:* The COP took note of the SBI conclusions (<u>FCCC/SBI/2023/L.24</u>), wherein the SBI, *inter alia*:

- invites developed countries to share their NAPs and strategies on NAP Central with a view to promoting exchange of lessons learned in relation to adaptation planning and implementation;
- requests the LEG to identify the challenges, gaps, and needs faced by some LDCs in initiating the formulation of their NAPs, provide recommendations on how to address these and include this information in its report to SBI 60;
- requests the LEG to convene a meeting with the Adaptation Fund, the GCF, the Global Environment Facility (GEF) and other relevant organizations, as part of NAP Expo 2024, to identify ways to assist the LDCs in implementing adaptation action based on priorities identified in their NAPs, and to include recommendations in its reports to the SBI with a view to addressing the challenges, gaps, and needs that LDCs continue to face in accessing funding for implementing NAPs;
- requests the LEG to identify the challenges faced by LDCs in initiating and/or completing the process of accrediting direct access entities with the GCF as well as the challenges, gaps, and needs faced by some LDCs in securing approved projects by their direct access entities, and include the findings in its report to SBI 61 (November 2024);
- invites parties and organizations with programmes aimed at supporting LDCs in formulating and implementing NAPs to provide information to the LEG and showcase their programmes at the NAP Expo, with a view to making information on such programmes readily available to the LDCs; and

 requests the LEG to continue enhancing its provision of support to the LDCs for aligning NAPs and nationally determined contributions.

## Loss and Damage

Governance of the Warsaw International Mechanism for Loss and Damage (WIM): The WIM is the constituted body tasked with implementing mandates related to loss and damage associated with impacts of climate change, including extreme events and slow-onset events, in developing countries that are particularly vulnerable to the adverse effects of climate change. Parties debate whether both the COP and CMA, or only the COP, has authority over the WIM. The Presidency conducted consultations on the COP and CMA's authority over the guidance to the WIM, including its Executive Committee (ExCom). Noting no agreement was reached, he said consultations will continue at the next COP and CMA.

**Report of the WIM Executive Committee:** In informal consultations convened and co-facilitated by Cornelia Jäger (Austria) and Lucas di Pietro (Argentina), the SBs considered the WIM ExCom's report (FCCC/SB/2023/4, /Add.1, and /Add.2), and the memorandum of understanding (MoU) of the Santiago Network secretariat host. Parties discussed the report on 1, 3, and 6 December.

Most parties were eager to welcome the report, although one group, supported by some parties, expressed their preference for taking note of the report and noting that the composition of the ExCom membership prevents certain parties from fully participating.

The SBs recommended draft decisions for the COP and CMA, which both bodies adopted in their closing plenaries on 13 December, with the amendment that nothing in the documents prejudices parties' views or prejudges outcomes on matters related to the governance of the WIM mechanism.

*Final Outcome:* In their respective identical decisions (<u>FCCC/</u><u>CP/2023/L.5 and FCCC/PA/CMA/2023/L.5</u>), the COP and CMA, *inter alia*:

- welcome the 2023 report of the ExCom and endorse the recommendations in the report;
- encourage the ExCom to continue to strengthen dialogue, coordination, coherence and synergies with relevant bodies and organizations under and outside the Convention and the Paris Agreement;
- request the ExCom to consider ways to collaborate with the entities that form part of the funding arrangements, and actively engage in the work under the Santiago Network and collaborate with the Advisory Board of the Network;
- request the ExCom to promote the use of the technical guides and knowledge products developed by the Committee and its thematic expert groups, at the regional and national level;
- request the ExCom to consider translating relevant outputs of its work into all official UN languages; and
- request the ExCom to continue to develop technical guides on relevant topics under all the strategic workstreams.

Matters Relating to the Santiago Network under the WIM: Following a lack of consensus on recommending a host for the Santiago Network secretariat at SB 58, parties resumed consideration of the matter. Informal consultations were co-facilitated by Cornelia Jäger (Austria) and Lucas di Pietro (Argentina) on 1, 3, and 6 December.

Parties reached agreement to recommend the consortium of the UN Office for Disaster Risk Reduction (UNDRR) and the UN Office for Project Services (UNOPS) as the host. Debates related to: regional presence to serve vulnerable states and peoples; timelines for swift operationalization; and equitable distribution of technical assistance. SWITZERLAND offered to support the physical establishment of the secretariat in Geneva, including financially, and KENYA offered to host the secretariat in Nairobi.

Parties discussed the MoU for the hosting of the Network's secretariat in informal consultations under the COP and CMA on <u>10</u>. <u>December</u>. In their closing plenaries on 13 December, the COP and CMA adopted respective decisions, with the amendment that nothing in the documents prejudices parties' views or prejudges outcomes on matters related to the governance of the WIM mechanism.

UNDRR promised to make the Santiago Network fully operational and deliver tangible results. He pledged to put the right mechanisms in place, forge partnerships with other organizations to ensure its success, and explore ways to collaborate with the Caribbean Development Bank. He noted UNDRR and UNOPS will report its progress at COP 29.

*Final Outcomes:* In their conclusions (FCCC/SB/2023/L.17), the SBs recommended the joint proposal submitted by UNDRR and the UNOPS for the hosting of the Santiago Network secretariat for an initial term of five years, with five-year renewal periods.

- In its decision (<u>FCCC/PA/CMA/2023/L.9</u>), the CMA, *inter alia*: • expresses appreciation to Canada, Denmark, the EU, Germany,
- Ireland, Japan, Luxembourg, Spain, Switzerland, the UK, and the US for their financial contributions and pledges to the Santiago Network;
- selects the joint proposal submitted by the consortium of UNDRR and UNOPS for an initial five years, with five-year renewal periods;
- encourages the consortium to consider exploring areas for collaboration with the Caribbean Development Bank, the other organization that had proposed to host the secretariat, where appropriate;
- authorizes the Executive Secretary to sign an annexed MoU with the consortium on behalf of the governing bodies;
- requests the consortium to ensure the necessary arrangements are in place for the meeting of the Advisory Board, including privileges and immunities in line with existing practice;
- requests the consortium to undertake an analysis of the costeffectiveness, including a cost-benefit analysis, of various locations around the world as options for the location of the head office by the end of January 2024 for consideration and decision by the Advisory Board at its first meeting, to be held in 2024;
- encourages the consortium to make arrangements to promptly launch work, including the appointment of a director of the secretariat through a merit-based, open, and transparent process, who will facilitate the timely recruitment of staff in line with the terms of reference;
- requests the Network's secretariat to facilitate the first meeting of the Advisory Board, to take place in 2024;
- requests the Network's secretariat to begin managing day-to-day operations, in line with its role and responsibilities;
- reaffirms that technical assistance provided under the Santiago Network in a demand-driven manner will be developed through an inclusive, country-driven process, taking into account the

needs of vulnerable people, Indigenous Peoples and local communities;

- requests the UNFCCC Secretariat to develop draft guidelines on preventing and addressing conflicts of interest, to be adopted at the first meeting of the Advisory Board in 2024;
- requests the Advisory Board to develop draft rules of procedure with a view to recommending them at SB 61 (November 2024); and
- invites the Network's secretariat to coordinate with the secretariat of the new loss and damage fund.

In its decision (FCCC/CP/2023/L.8), the COP endorses the above decision of the CMA. The memorandum of understanding for the hosting of the Santiago Network secretariat is attached as an annex to both the CMA and COP decisions.

## Finance

**Long-term finance:** Discussions under this item focus on progress in the fulfillment of developed countries' commitment to jointly mobilize USD 100 billion per year by 2020. At COP 27, the fifth biennial high-level ministerial dialogue on climate finance took place, with a focus on the progress and fulfillment of the goal. COP 28 was invited to: continue the discussions; consider the summary of the deliberations at the ministerial dialogue (<u>FCCC/CP/2023/7</u>); and take any action deemed appropriate.

Carlos Fuller (Belize) and Gard Lindseth (Norway) co-chaired discussions in a contact group on <u>1 December</u> and co-facilitated informal consultations on <u>3</u>, <u>4</u>, <u>5</u>, and <u>6 December</u>. Parties also addressed the matter in informal informals.

Delegates agreed on the importance of tracking the fulfillment of the goal until 2027, given there is a two-year time lag in data availability. Developing countries lamented the goal was not met in 2021 and underscored that the needs are in the trillions. SWITZERLAND and the EU reported they had contributed their fair share in climate finance. Many developed countries pointed to recent assessments on the positive trajectory of climate finance and pledges made in Dubai. Delegates later discussed whether to include language on burden sharing, with several developed countries objecting. Delegates also discussed whether to include text calling for the definition of climate finance, establishing agreed methodologies to track it, and facilitating access to bilateral and private finance, including through enabling environments.

*Final Outcome:* In its decision (<u>FCCC/CP/2023/L.10/Rev.1</u>), the COP, *inter alia*:

- notes with deep regret that the goal was not met in 2021;
- notes efforts by developed countries to improve transparency of the goal's delivery;
- notes the different estimates in the report by the SCF on progress towards achieving the goal and recognizes the lack of a common definition and accounting methodology in this regard;
- urges developed countries to fully deliver on the goal urgently and through 2025, noting the significant role of public funds, and calls on developed countries to further enhance the coordination of their efforts to deliver the goal;
- acknowledges the fiscal constraints and increasing costs to adapt to the adverse effects of climate change and, in this context, reiterates the need for public and grant-based resources for adaptation in developing country parties, especially those that are particularly vulnerable and have significant capacity constraints, such as LDCs and SIDS;

- reiterates a significant amount of adaptation finance should come from the Financial Mechanism's operating entities, the Adaptation Fund, the LDC Fund, and the Special Climate Change Fund;
- requests parties to continue strengthening their enabling environments and policy frameworks to facilitate the mobilization and effective deployment of climate finance; and
- reiterates the Secretariat will continue to explore ways and means to assist developing countries in assessing their needs and priorities in a country-driven manner, and requests the Secretariat to prepare a report on its activities in this regard for consideration by COP 29.

A footnote in the decision links to an open letter issued before the meeting by Canada and Germany, noting that the Organisation for Economic Co-operation and Development (OECD) has stated that the goal looks likely to have already been met as of 2022.

**Standing Committee on Finance (SCF):** The SCF supports coherence and coordination in the delivery of financing, assists with measurement, reporting, and verification, and helps coordinate with other financial initiatives inside and outside the UNFCCC. Discussions under the COP and the CMA pertained to the report of the SCF (<u>FCCC/CP/2023/2–FCCC/PA/CMA/2023/8</u>) and addenda regarding:

- doubling adaptation finance (<u>Add.1</u>);
- clustering types of climate finance definitions in use (<u>Add.2</u>);
- ways to achieve Article 2.1(c) (making financial flows consistent with a pathway towards low-GHG emissions and climateresilient development) (Add.3);
- a summary of the 2023 Forum of the SCF on financing just transitions (Add.4);
- self-assessment report of the SCF (<u>Add.5</u>); and
- draft guidance to the operating entities of the Financial Mechanism (<u>Add.6</u>).

Under the SPI, parties also considered a technical note on the second review of the functions of the SCF (FCCC/TP/2023/4).

Ali Waqas (Pakistan) and Apollonia Miola (EU) facilitated discussions, both in a contact group and informal consultations, on 1, 2, 4, and <u>6 December</u>.

On Article 2.1(c), debate centered on extending the Sharm el-Sheikh Dialogue and calls under the GST for a related work programme, with developing countries calling for limiting the dialogue, and the ENVIRONMENTAL INTEGRITY GROUP (EIG) and developed countries urging extending it or establishing a work programme on the matter.

On a climate finance definition, the ARAB GROUP and LMDCs called for the SCF to update its operational definition.

On doubling adaptation finance, discussion sought to clarify the 2019 level serving as the baseline, with some developed countries indicating their understanding that the baseline is USD 20 billion. The ARAB GROUP called for a work programme.

On the second review of the SCF's functions, parties could not agree on a way forward. Disagreement related to whether the CMA is to affirm the COP decision or to elaborate distinct substantive points, with several developing countries objecting to the idea of a parity of the two governing bodies over the SCF.

*Final Outcomes:* In its conclusions on the second review of the SCF's functions (<u>FCCC/SBI/2023/L.25</u>), the SBI agreed to continue consideration of this matter at SBI 61 (November 2024).

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In its decision (FCCC/CP/2023/L.9), the COP, inter alia:
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- notes the 2023 report of the SCF, endorses the workplan of the Committee for 2024, and underlines the importance of the Committee focusing its work on its current mandates;
- notes the complexities, in relation to accounting of and reporting on climate finance at the aggregated level, associated with the application of the variety of definitions of climate finance;
- requests the SCF to consider updating, in the context of its sixth Biennial Assessment and Overview of Climate Finance Flows, its operational definition of climate finance; and
- requests the SCF to prepare a report on common practices regarding climate finance definitions, reporting and accounting methods among parties and climate finance providers, for consideration by COP 29.

In its decision (<u>FCCC/PA/CMA/2023/L.12</u>), with regard to Article 2.1(c), the CMA, *inter alia*:

- decides to continue and strengthen the Sharm el-Sheikh Dialogue between parties, relevant organizations and stakeholders to exchange views on and enhance understanding of the scope of Article 2.1(c);
- requests the Secretariat, under the guidance of the Co-Chairs of the Dialogue, to organize at least two workshops per year;
- invites submissions by 31 March 2024 on the issues to be addressed during the workshops;
- requests the Co-Chairs of the Dialogue to prepare a report on the deliberations under the dialogue in 2024 and 2025 for CMA 6 and 7; and
- requests the Co-Chairs of the Dialogue to prepare, as part of their report in 2025, a synthesis of all work undertaken under the Dialogue for consideration by CMA 7 (2025) with a view to a CMA 7 decision on a way forward with regard to deliberations on this matter.

With regard to adaptation finance, the CMA:

- recognizes the urgent need to scale up adaptation finance;
- notes the executive summary of the report and recommendations on doubling adaptation finance and encourages parties to consider implementing those recommendations; and
- invites developed countries to continue to enhance transparency regarding their effort to double adaptation finance.

**Report of, and guidance to, the GCF:** The GCF is one of two operating entities of the Financial Mechanism. The GCF reports to, and is guided by, the COP. It also serves the Paris Agreement.

The GCF Board submits an annual report to the COP, and the SCF provides draft guidance for the GCF for the COP's consideration. The COP and CMA were invited to provide guidance to the GCF on policies, programme priorities, and eligibility criteria. These discussions took into consideration the reports of the GCF (FCCC/CP/2023/8 and Add.1) and the SCF (FCCC/CP/2023/2/ Add.6– FCCC/PA/CMA/2023/8/Add.6), as well as the report on the operation of the registry of nationally appropriate mitigation actions (FCCC/CP/2023/INF.1).

Discussions took place under the COP and CMA, co-facilitated by Richard Muyungi (Tanzania) and Marine Lannoy (France) on <u>4</u> and <u>5 December</u>, among others. Groups and parties agreed to avoid micro-managing and pre-empting Board discussions. Comments related to, among others, regional presence, resource allocation for NAPs, reducing language barriers, and the accreditation strategy. Several developed countries, opposed by a developing country group, emphasized GCF support for systems transitions. Delegates also discussed how best to foster access for conflictaffected countries and progress on results-based payments. Several developing and developed countries emphasized the need to foster a programmatic approach, including increasing the attractiveness for implementing agencies to engage in small countries.

In their closing plenaries on 13 December, the COP and the CMA adopted decisions.

*Final Outcomes:* In its decision (<u>FCCC/CP/2023/L.3</u>) the COP, *inter alia:* 

- recognizes the GCF's role in promoting the participation of private sector actors in developing countries;
- takes note of the outcomes of the GCF regional presence study and urges the Board to expedite its consideration of options for establishing GCF regional presence;
- encourages the Board to continue to support the formulation of NAPs and other adaptation planning processes in line with the 2024-2027 strategy for the Readiness and Preparatory Support Programme;
- requests the Board to continue its consideration, with a view to approving policy proposals, to support results-based payments for specific activities; and
- requests the Board to continue to accredit national and regional direct access entities, significantly increase direct access entity participation in GCF programming and conclude its work on updating the accreditation framework.

In its decision (FCCC/PA/CMA/2023/L.4), the CMA, inter alia:

- requests the Board to continue its consideration, with a view to approving policy proposals, to support results-based payments for certain activities; and
- requests the Board to take into consideration the GGA and explore ways to assist parties in implementing the goal, in line with the existing investment, results framework, and funding windows and structures of the GCF.

**Report of, and guidance to, the GEF:** The GEF is the other operating entity of the UNFCCC's Financial Mechanism. The discussions in Dubai were based on the report of the GEF to the COP (<u>FCCC/CP/2023/6/Add.1</u>), the draft guidance to the operating entities of the Financial Mechanism in the Report of the SCF (<u>FCCC/CP/2023/2/Add.6–FCCC/PA/CMA/2023/8/Add.6</u>), and the report of the Secretariat on the operation of the registry of nationally appropriate mitigation actions (<u>FCCC/CP/2023/INF.1</u>).

Discussions in COP and CMA contact groups took place on 2, 5 and 6 December, co-chaired by Marine Lannoy (France) and Richard Muyungi (Tanzania).

Developing countries expressed concern over access restrictions related to countries' income groups and expected co-financing, urged for a direct access modality, and called for opening accreditation opportunities. The EIG proposed a reference to conflict-sensitive approaches. LDCs and AOSIS called for pledges to the LDC Fund (LDCF) and Special Climate Change Fund (SCCF). Other points raised related to gender responsiveness, Indigenous Peoples, and how the tagging of climate-biodiversity co-benefits affects the magnitude of the GEF's climate portfolio.

AILAC emphasized support for in-house capacity development for developing country reporting under the ETF and for conducting needs assessments. Based on discussions among groups under the SBI, some suggested language requesting the GEF to assess how best to: support sustainable institutional capacity building in national governments; streamline processes to enable parties to use a portion of their System for Transparent Allocation of Resources (STAR) allocation to supplement their BTR support; and ensure the timely delivery of support. Several parties emphasized addressing the overconcentration of implementing agencies and enhancing coverage in SIDS and LDCs.

*Final Outcomes:* In its decision (<u>FCCC/CP/2023/L.6</u>), the COP, *inter alia*:

- requests the GEF to continue its support to developing countries in implementing the reporting requirements under the Convention, consistent with its current mandates;
- encourages the GEF to consider ways to better serve different regions;
- encourages the GEF to continue to strengthen its Small Grants Programme to provide better support for youth, women and girls, local communities, and Indigenous Peoples;
- requests the GEF to consider ways to enhance its ongoing work to fund activities relevant to averting, minimizing, and addressing loss and damage, consistent with its current mandates;
- welcomes ongoing efforts to continue assessing and addressing the risks induced by the current level of funding concentration among some of the GEF's implementing agencies; and
- encourages the GEF to open a targeted round of implementing agency expansion within the GEF partnership with a focus on underserved regions.

In its decision (FCCC/PA/CMA/2023/L.6), the CMA, inter alia:

- underlines the importance of providing adequate and predictable support to developing countries for preparing BTRs;
- requests the GEF in administering the LDCF and the SCCF, to take into account, in the context of its adaptation strategy, the GGA framework; and
- encourages the GEF to further explore ways to provide support for assessing developing countries' needs and priorities in a country-driven manner, including technology and capacitybuilding needs, and for translating climate finance needs into action.

**Seventh review of the Financial Mechanism:** This item relates to reviewing the performance of the GEF and GCF. The COP first took up this item on <u>30 November</u> and established a contact group, co-chaired by Ricardo Marshall (Barbados) and Solomon Schonfield (UK), which met on <u>4 December</u>. Discussions were complicated by ongoing Presidency consultations on the review of the Financial Mechanism. Some parties favored discussing the review under the COP, while others noted the Financial Mechanism also served the Paris Agreement and suggested that the review proceed when there is greater clarity. Consultations continued under the Presidency.

In its closing plenary on 13 December, the COP considered the decision (FCCC/CP/2023/L.12). The US, EU, and AUSTRALIA opposed its adoption, emphasizing the review of the Financial Mechanism should be also conducted under the CMA. Given no consensus, the decision was not adopted. The AFRICAN GROUP lamented lack of progress on the review despite the clear mandate and condemned parties "holding it hostage."

Matters relating to the Adaptation Fund: In a contact group and informal consultations co-facilitated by Diann Black-Layne (Antigua and Barbuda) and Louise Rousseau (France), the CMP and CMA considered the report of the Adaptation Fund Board (FCCC/KP/CMP/2023/2-FCCC/PA/CMA/2023/6 and FCCC/KP/ CMP/2023/2/Add.1–FCCC/PA/CMA/2023/6/Add.1). Discussions convened on 2, 4, 5, 6, and 10 December. During informal consultations, many called for scaled up financial contributions. LDCs drew attention to the resources available in the CDM Trust Fund, while the AFRICAN GROUP suggested the need for contingency planning should the Article 6 market mechanisms not be fully operationalized and, therefore, the share of proceeds not become available. The Adaptation Fund Board Secretariat responded that the Board had not considered the latter possibility. Several noted the need to avoid micro-managing the Board. Parties also debated the need for additional guidance and modalities, particularly related to the GEF, when the Fund serves the Paris Agreement.

The CMP and CMA adopted decisions in their closing plenaries. *Final Outcomes:* In its decision (FCCC/KP/CMP/2023/L.5), the CMP, *inter alia*:

- welcomes the annual report of the Adaptation Fund Board for 2023, including its addendum, and the information therein;
- welcomes the financial pledges made towards the Adaptation Fund resource mobilization target for 2023 of USD 300 million;
- notes with concern the outstanding pledged contributions to the Fund and urges parties to fulfill their pledges as soon as possible;
- encourages continued and increased voluntary contributions of financial resources to the Fund in line with its resource mobilization strategy for 2022-2025;
- recalls the importance of financial contributions to the Fund, including in the context of urging developed countries to at least double their collective provision of climate finance for adaptation to developing countries from 2019 levels by 2025, in the context of achieving a balance between mitigation and adaptation in the provision of scaled-up financial resources;
- requests the Fund Board to continue to enhance access to the Fund and country ownership by considering strengthening the readiness activities for national implementing entities, considering their long-term capacity-building needs, enhancing the accreditation and project and programme approval processes; and enhancing engagement between regional implementing entities and developing countries on regional, multi-country project design and implementation;
- requests the Fund's Board to increase the gender-responsiveness of the resources the Fund provides; and
- requests the Board to include information on the rates of use of the increased cap on allocation per country in its annual report to the CMP and CMA.
- In its decision (FCCC/PA/CMA/2023/L.8), the CMA, inter alia:
- stresses the importance of financial contributions to the Fund, including in the context of urging developed countries to at least double their collective provision of climate finance for adaptation to developing countries from 2019 levels by 2025, in the context of achieving a balance between mitigation and adaptation in the provision of scaled-up financial resources;
- invites the Fund's Board to continue to enhance access to the Fund and country ownership;
- recalls paragraph 7 of decision 3/CMP.16, which confirms that parties to the Paris Agreement are eligible for membership on the Fund's Board; and
- encourages the Fund's Board to continue its consideration of its rules of procedure in the context of serving the Paris Agreement, including after the SBI has concluded consideration of matters related to membership of the Fund's Board.

**Compilation and synthesis of, and summary report on the in-session workshop on, biennial communications of information related to Paris Agreement Article 9.5:** This item relates to guidance for developed countries to provide information on their plans for providing climate finance in the future. The COP and CMA took up this issue on 30 November and subsequently in informal consultations co-facilitated by Kelly Sharp (Canada) and Elena Pereira (Honduras), which met on 4, 5, 6, and <u>8 December</u>.

On <u>8 December</u>, the Second Biennial High-level Ministerial Dialogue on climate finance regarding information to be provided by parties in accordance with Article 9.5 convened.

In the informal consultations, developed countries preferred updating the guidance in 2025. Several countries called for reviewing the *ex-ante* information and aligning it with the *ex-post* information, while others cautioned against revisiting the guidance on the ETF.

There was also debate if a broader group of countries should provide information. Developed countries noted that other countries were invited to provide such information, while developing countries recalled that developed countries "should" provide this information and take the lead in providing finance.

Parties debated if both the COP and CMA require substantive decisions, or if the COP should welcome the reports and take note of the CMA decision. They could not reach an agreement and the Co-Facilitators said they would consult the Presidency. Negotiations continued in informal informal consultations under the Presidency.

In their closing plenaries on 13 December, the COP and CMA adopted decisions.

*Final Outcomes:* In its decision (<u>FCCC/CP/2023/L.11</u>), the COP notes the compilation and synthesis reports and takes note of the CMA decision on this matter.

In its decision (FCCC/CMA/2023/L.11), the CMA, inter alia:

- welcomes the second biennial communications of developed countries received to date;
- recognizes that the second biennial communications took into account the identified areas for improvement and that many of the communications include information on increased projected levels of climate finance;
- requests developed countries to submit their biennial communications by 31 December 2024 and encourages other parties providing resources to submit biennial communications on a voluntary basis; and
- requests the Secretariat to prepare a compilation and synthesis of the biennial communications submitted in 2024.

**Operationalization of the funding arrangements for responding to loss and damage, including the fund:** CMA 4 and COP 27 established new funding arrangements and a fund for assisting developing countries that are particularly vulnerable to the adverse effects of climate change in responding to loss and damage. They also established a Transitional Committee to make recommendations on the new funding arrangements and fund. The Transitional Committee met five times during 2023 and submitted a report (<u>FCCC/CP/2023/9– FCCC/PA/CMA/2023/9</u>) for the COP's and CMA's consideration.

During the opening plenary on <u>30 November</u>, Transitional Committee Co-Chairs Richard Sherman (South Africa) and Outi Honkatukia (Finland) presented the Committee's report and recommendations (<u>FCCC/CP/2023/9</u> and <u>FCCC/PA/</u> <u>CMA/2023/9</u>). The COP and CMA adopted decisions (<u>FCCC/</u> <u>CP/2023/L.1</u> and <u>FCCC/PA/CMA/2023/L.1</u>) and a number of countries announced pledges.

Many countries welcomed the decision and announced pledges. The DEMOCRATIC REPUBLIC OF THE CONGO expressed hope that vulnerable countries will be the genuine beneficiaries of the fund and that it will be managed transparently. NORWAY recommended the early nomination of board members for the fund. With the EIG, he looked forward to the fund's board using a human rights-based approach. The PHILIPPINES, the SOLOMON ISLANDS, and others recalled that loss and damage is best averted and minimized through ambitious action on mitigation and adaptation.

*Final Outcome:* In their decision (<u>FCCC/CP/2023/L.1–FCCC/</u><u>PA/CMA/2023/L.1</u>), the COP and CMA, *inter alia*:

- approve the Governing Instrument of the fund, as contained in an annex to the decision;
- decide the fund will be serviced by a new, dedicated, and independent secretariat, and governed and supervised by a board;
- decide to designate the fund as an entity entrusted with the operation of the Financial Mechanism of the Convention, also serving the Paris Agreement, which will be accountable to and function under the guidance of the COP and the CMA;
- decide arrangements with the fund are to be approved by COP 29 and CMA 6 (November 2024);
- urge the board of the fund to select the Executive Director of the Fund through a merit-based, open, and transparent process;
- decide the board of the fund will be conferred with legal personality and the legal capacity as necessary for discharging its roles and functions, in particular the legal capacity to negotiate, conclude, and enter into a hosting arrangement with the World Bank as interim trustee and host of the fund's secretariat;
- request the board of the fund to select its host country through an open, transparent, and competitive process;
- invite the World Bank to operationalize the fund as a World Bank-hosted financial intermediary fund for an interim period of four years, starting from the sessions of the COP and CMA at which the board of the fund confirms the conditions referred to in the decision can be met, with the fund to be serviced by a new, dedicated, and independent secretariat hosted by the World Bank;
- invite nominations for membership in the board and request the Secretariat to convene the first board meeting no later than 31 January 2024; and
- urge developed countries to continue to provide support and encourage other parties to provide, or continue to provide support, on a voluntary basis, for activities to address loss and damage.

The annexed Governing Instrument of the fund, among others, specifies that the fund's board will develop and operate a dynamic resource allocation system that will take into account, *inter alia*:

- the needs and priorities of particularly vulnerable developing countries;
- the scale of impacts;
- · safeguards against overconcentration of support;
- best available information;
- · cost estimates; and
- a minimum percentage allocation floor for LDCs and SIDS.

**New collective quantified goal (NCQG):** COP 21 decided that, prior to 2025, the CMA shall set a NCQG from a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries. CMA 3 set out the arrangements for work on setting a NCQG, including establishing an *ad hoc* work programme for 2022-2024, convening high-level ministerial dialogues and taking stock of progress, and providing further guidance on the *ad hoc* work programme from CMA 4, 5, and 6.

CMA 5 was invited to consider the annual report of the Co-Chairs of the *ad hoc* work programme (<u>FCCC/PA/CMA/2023/11</u> and <u>Add.1</u>) and the summary of the deliberations at the high-level ministerial dialogue (<u>FCCC/PA/CMA/2023/INF.1</u>). Discussions took place on <u>1</u>, <u>3</u>, <u>5</u>, <u>6</u>, <u>8</u> and <u>9 December</u> in a contact group and informal consultations co-facilitated by Gabriela Blatter (Switzerland) and Amena Yauvoli (Fiji).

Delegates discussed whether to include a summary outlining preferences for the substance of the new goal or adopt a decision focused on the procedure to be followed during 2024. Among other issues, delegates debated preferences for the goal's timeframes, transparency arrangements, and multi-layered structure.

Procedurally, they highlighted the need to ensure inclusivity, avoid micromanaging the *ad hoc* work programme Co-Chairs, and clarify the linkages between textual negotiations, technical expert dialogues (TEDs), and political engagement. Some called for high-level engagement in the form of a "true dialogue," rather than a sequence of speeches. Several groups called for ensuring at least three meetings to advance work on text. Several groups called for the Co-Chairs to develop the 2024 workplan by February 2024. Many also emphasized the Co-Chairs should be given the flexibility to decide on the timing for tabling text and in what form, noting this worked well in the Transitional Committee on the loss and damage fund, but underscoring the mandate is not to develop a draft decision.

*Final Outcome:* In its decision (<u>FCCC/PA/CMA/2023/L.10</u>), the CMA, *inter alia*:

- decides on the continuation of the current Co-Chairs of the *ad hoc* work programme in 2024;
- decides to conduct at least three TEDs in 2024, with one dialogue to take place in advance of SB 60 (June 2024), one in conjunction with those sessions, and one well before CMA 6, and two of the dialogues to be organized in separate regions;
- decides to conduct at least three meetings under the *ad hoc* work programme in 2024, back-to-back with the TEDs, to enable parties to engage in developing the substantive framework for a draft negotiating text;
- requests the *ad hoc* work programme Co-Chairs to develop and make available, as soon as possible and no later than March 2024, a workplan for 2024;
- decides to convene the 2024 high-level ministerial dialogue on the NCQG well before CMA 6 with a view to providing guidance for the deliberations on setting the goal at that session; and
- confirms the deliberations on the scale and elements of the NCQG will take into consideration the need to support implementation of current NDCs and NAPs and adaptation communications, increase and accelerate ambition, and reflect developing countries' evolving needs, and the need for enhanced provision and mobilization of climate finance from a wide variety of sources, instruments, and channels.

# Just Transition and Response Measures

Work Programme on Just Transition Pathways: Discussions on this item aimed to operationalize the work programme. Negotiations were conducted under the SBs and the CMA in various formats, with informal consultations under the SBs co-facilitated by Selam Abeb (Ethiopia) and Luisa Roelke (Germany), and informal consultations under the CMA co-facilitated by Marianne Karlsen (Norway) and Simon Cardy (South Africa).

Informal consultation convened on, among other days, 1, 3, 4, 5, 6, and 9 December. Additionally, the first high-level ministerial roundtable on this matter convened on <u>3 December</u>.

Key issues of debate during informal consultations were scope, timeline, institutional arrangements, modalities, and outputs of the work programme. Additionally, parties had a heated debate on general aspects: whether to include a reference to equity and CBDR-RC, reference to human and labor rights, gender, and inclusivity, as well as citing international cooperation and inappropriateness of unilateral measures. On the objective, parties discussed referencing the 1.5°C goal and Article 3.5 of the Convention (promotion of a supportive and open international economic system) in the preamble. Several developing country groups emphasized the need for overall framing related to sustainable development and poverty eradication.

On scope, parties debated the definition of just transition and if there is one or multiple transitions, as well as whether the main focus should be on labor force. Many stressed the work programme should not be an excuse to delay the energy transition. Delegates also looked at balance between national and international aspects.

On the timeline, developed countries were more inclined towards a two- or three-year programme to inform the next GST, potentially with the opportunity to renew, and developing countries pointed out that the mandate does not provide for such limitations, hence the work programme should be permanent and indefinite.

Many ideas for modalities and institutional arrangements were suggested, including workshops and technical papers. Many parties also voiced support for institutionalizing the work programme under the SBs as a contact group.

In its closing plenary on 13 December, the CMA adopted a decision. President Al Jaber proposed calling the work programme the "UAE Just Transition Work Programme."

Final Outcome: In its decision (FCCC/PA/CMA/2023/L.14), the CMA, inter alia: decides that the work programme shall include the following elements:

- just transition pathways to achieving the objective;
- just and equitable transition, which encompasses pathways that include energy, socio-economic, workforce and other dimensions, all of which must be based on nationally defined development priorities and include social protection so as to mitigate potential impacts associated with the transition;
- opportunities, challenges and barriers relating to sustainable development and poverty eradication as part of transitions globally to low emissions and climate resilience, taking into account nationally defined development priorities;
- approaches to enhancing adaptation and climate resilience at the national and international level;
- just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities, including through social dialogue, social protection and the recognition of labor rights;

- inclusive and participatory approaches to just transitions that leave no one behind; and
- · international cooperation as an enabler of just transition pathways towards achieving the goals of the Paris Agreement.

The CMA further decides that:

- the implementation of the work programme shall start immediately after CMA 5 with a view to the work programme informing the second GST and other relevant processes, including the annual high-level ministerial roundtable on just transition, and agrees to review the effectiveness and efficiency of the work programme and consider its continuation at the CMA 8 (November 2026);
- the work programme shall be implemented under the guidance of the SBs through a joint contact group to be convened at each of their sessions, starting at SB 60, with a view to recommending a draft decision to the CMA for adoption at each of its sessions; and
- at least two dialogues shall be held each year as part of the work programme, with one to be held prior to the first regular sessions of SBs, starting with SB 60 (June 2024), and one prior to the second regular sessions of the SBs, starting with SB 61 (November 2024), and that such dialogues should be conducted in hybrid format to allow both in-person and virtual participation. The CMA also:
- · invites parties, observers and other non-party stakeholders to submit views on work to be undertaken under, as well as possible topics for the dialogues under, the work programme by 15 February each year beginning in 2024;
- requests that SB Chairs, taking into consideration the submissions referred to above, decide on and communicate, no later than eight weeks before each dialogue in advance of the respective regular sessions of the SBs, the topics to be discussed at each dialogue to be held in that year;
- invites parties and others to submit views on opportunities, best practices, actionable solutions, challenges, and barriers relevant to the topics of the dialogues referred to above no later than four weeks before each dialogue;
- requests the SB Chairs to prepare in a timely manner, with the assistance of the Secretariat, an annual summary report on the dialogues referred to above;
- requests the Secretariat to prepare a report summarizing information on the activities under the work programme with a view to that report informing the second GST, including its technical dialogue; and
- · requests that the actions of the Secretariat called for in this decision be undertaken subject to the availability of financial resources.

Report of the Forum on the Impact of the Implementation of Response Measures under the Convention, Kyoto Protocol, and Paris Agreement: Discussions on this item aimed at concluding the midterm review of the workplan of the forum on the impact of the implementation of response measures and its Katowice Committee on the Impacts of the Implementation of Response Measures (KCI), and reviewing the functions, work programme, and modalities of the forum and the KCI. Negotiations were conducted under the SBs and later COP/CMP/CMA in various formats, with informal consultations under the SBs co-facilitated by Peter Govindasamy (Singapore) and Catherine Goldberg (US), and informal consultations under the COP/CMP/CMA co-facilitated by

Andrei Marcu (Honduras) and Georg Børsting (Norway). Informal consultations were convened on, among other days, on 3, 4, 5, 6, 8, 9, and 10 December.

Key issues of debate under the mid-term review included activities to be included in the workplan as a result of the review. The main disagreement related to two proposed activities: regional case studies, and building awareness about the positive and negative impacts associated with subsidizing the electric vehicle (EV) industry. On case studies, some parties were concerned about lack of time given to the preparation of three case studies already in the KCI's pipeline, and others were keen on adding a case study for each UN region.

On the impacts of subsidizing the EV industry, many parties suggested expanding the scope to the low-emission transportation industry or sector. Two developing countries proposed, in the spirit of compromise and to balance the list, to add an activity on studying the impacts of unilateral and cross-border measures, with one specifying it should be about carbon pricing.

On functions review, developed country parties supported keeping existing functions, noting the agreement on effectiveness of the forum and the KCI. Developing countries noted that they want to make the forum and the KCI "even better," and called for significant expansion of the functions, including related to capacity building and the GST, expanding regional engagement of the KCI through permanent dialogues.

Similar debate arose on the review of the work programme: several developed country parties supported retaining the existing work programme, with one developed country party stressing that if the work programme is to be amended, it should include only one or two additional elements, including the co-benefits of climate actions and the lack of implementation of response measures.

On modalities, parties generally expressed support for the current modalities, with some disagreement regarding the KCI's terms of reference, in particular on increasing the length and frequency of its meetings and expanding its membership. Developing countries called for increased duration and frequency of KCI meetings, which was opposed by developed countries. On membership, developed countries were keen on including additional members from each observer constituency group, which was opposed by some developing countries.

Overarching concern was whether the forum and the KCI focus only on the negative, or on both negative and positive impacts of response measures. Parties also had a heated debate on including a reference to unilateral measures, whether as an activity for existing workplan under mid-term review, an area for the work programme under forum and KCI review, or a reference to Article 3.5 of the Convention (on the promotion of a supportive and open international economic system without discrimination, including unilateral measures) in the preamble.

In plenary on 13 December, the COP, CMP, and CMA adopted a joint decision.

*Final Outcome:* In their joint decision (<u>FCCC/CP/2023/L.14-</u> <u>FCCC/KP/CMP/L.6-FCCC/PA/CMA/2023/L.19</u>), the COP, CMP, and CMA, *inter alia*:

- adopt the updated functions, work programme and modalities of the forum and its KCI, contained in Annex I;
- request the SBs to review the functions, work programme, and modalities of the forum and its KCI every five years, starting at SB 69 (2028);

- decide the forum shall develop and recommend a five-year workplan in line with its functions, work programme and modalities, taking into account relevant policy issues of concern to parties, for consideration and adoption by SB 61 (November 2024);
- request the KCI to propose updates to its rules of procedure for the forum to consider and make recommendations to the SBs, with the SBs providing recommendations for consideration and adoption by COP 29/CMP 19/CMA 6 (November 2024);
- request the forum and its KCI, with support from the Secretariat, to implement the recommendations contained in the decision, as applicable, and report on progress made in its annual report;
- request the Secretariat to organize a two-day global dialogue on the impacts of the implementation of response measures in conjunction with intersessional meetings of the KCI in 2024 and 2025, in collaboration with relevant organizations and stakeholders and acknowledging the work that has been carried out by the KCI, noting that such dialogues will be conducted in hybrid format to allow both in-person and virtual participation, and notes that the forum, at SB 63 (November 2025), will consider further dialogues, as appropriate;
- request the Secretariat to prepare a summary report capturing the discussions held at each of the global dialogues referred to above;
- invite parties, observers and non-party stakeholders to submit their views on possible topics for the global dialogues in 2024 and 2025 by 15 July in each of those years; and
- request the SB Chairs, taking into consideration the submissions referred to above, decide on and communicate, no later than four weeks in advance of the global dialogues in 2024 and 2025, the topics to be discussed at each dialogue to be held in that year. The decision contains two annexes: one with expanded list

of functions, areas of work, and amended modalities (including increased duration of one of the biannual meetings, now to be held intersessionally), and one with activities arising from the outcomes of the midterm review of the workplan (including developing regional case-studies and build awareness about the positive and negative impacts associated with low and zero emission transport technologies).

## **Reporting under the Convention**

**Greenhouse Gas Data Interface:** Under the Convention's and Kyoto Protocol's reporting requirements, parties submit GHG inventories. The GHG data interface is an online tool to facilitate access, searching, and sorting the information provided by parties. Following informal consultations co-facilitated by Daniela Romano (Italy) and Thiago Mendes (Brazil), the SBSTA adopted conclusions.

*SBSTA Conclusions:* In their conclusions (<u>FCCC/SBSTA/</u> <u>2023/L.8</u>), the SBSTA:

- reaffirms the importance of making GHG information easily accessible on the UNFCCC website;
- notes with appreciation the Secretariat's implementation of the necessary technical changes to the GHG interface as requested at SBSTA 38; and
- agrees to continue consideration of this matter at SBSTA 60 subject to the availability of the tools for reporting under the enhanced transparency framework under the Paris Agreement.

Annex-I Reporting: Status of submission and review of national communications and biennial reports: The SBI took up this item on <u>30 November</u>, considering the report on the status of submissions and review of national communications and biennial reports (<u>FCCC/SBI/2023/INF.8</u>).

Informal consultations were co-facilitated by Toby Hedger (US) and Tian Wang (China). During the informal consultations, parties considered, but could not agree on whether to note the delay in submitting reports. They also could not agree on the messages from the synthesis report on biennial reports, including whether nearly all Annex I countries met their 2020 emissions reductions targets; whether emissions decreased by 17.3% without land use, land-use change, and forestry; or whether the projected levels of emissions in the reports under the "with measures" scenario does not show any projected decrease between 2020 and 2030.

In the SBI plenary, parties agreed the item will be included in the provisional agenda for the next session, in accordance with rules 10(c) and 16 of the draft rules of procedure.

**Compilations and syntheses of biennial reports:** The SBI first considered this issue, and the reports of the Secretariat (FCCC/SBI/2023/INF.7 and Add.1) on <u>30 November</u>. Informal consultations were co-facilitated by Toby Hedger (US) and Tian Wang (China). During these consultations, parties engaged in the same debate as under the review of biennial reports.

In the SBI plenary, parties agreed that the item will be included in the provisional agenda for the next session, in accordance with rules 10(c) and 16 of the draft rules of procedure.

**Report on national GHG inventory data:** The SBI took up this item on <u>30 November</u>, including the Secretariat's report on national GHG inventories 1990-2021 (<u>FCCC/SBI/2023/15</u>). Informal consultations were co-facilitated by Toby Hedger (US) and Tian Wang (China). During these consultations, parties engaged in the same debate as under the review of biennial reports. In the SBI plenary, parties agreed that the item will be included in the provisional agenda for the next session, in accordance with rules 10(c) and 16 of the draft rules of procedure.

Annual reports on technical reviews: *Technical review* of information reported in biennial reports and national communications: The SBSTA took up this item on <u>30 November</u>, including the Secretariat's report (FCCC/SBSTA/2023/INF.4).

Informal consultations were co-facilitated by Ole-Kenneth Nielsen (Denmark) and Marcelo Rocha (Brazil). Countries heard a presentation from the Secretariat on the composition of review teams and their experiences, including reasons for not participating.

The SBSTA agreed that this item will be included in the provisional agenda for the next session, in accordance with rules 10(c) and 16 of the draft rules of procedure.

**Technical review of GHG inventories:** The SBSTA took up this item on <u>30 November</u>, including the Secretariat's report (<u>FCCC/SBSTA/2023/INF.6</u>). Informal consultations convened, co-facilitated by Ole-Kenneth Nielsen (Denmark) and Marcelo Rocha (Brazil). The Secretariat presented on the composition of review teams and their experiences, including reasons for not participating.

The SBSTA agreed that this item will be included in the provisional agenda for the next session, in accordance with rules 10(c) and 16 of the draft rules of procedure.

*Technical review of GHG inventories and other information reported:* The SBSTA took up this item on <u>30 November</u>, including the Secretariat's report (<u>FCCC/SBSTA/2023/INF.7</u>). Informal consultations convened, co-facilitated by Ole-Kenneth Nielsen (Denmark) and Marcelo Rocha (Brazil). Countries heard a presentation from the Secretariat on the composition of review teams and their experiences, including reasons for not participating.

The SBSTA agreed that this item will be included in the provisional agenda for the next session, in accordance with rules 10(c) and 16 of the draft rules of procedure.

**Reporting From Non-Annex I Parties: Information contained in national communications:** This item is held in abeyance.

**Provision of financial and technical support:** This item considers the draft text prepared at SB 58, with the view to facilitating the submission of the final biennial update reports (BURs). In informal consultations, co-facilitated by Sandra Motshwanedi (South Africa) and Julia Gardner (Australia) on <u>6</u> <u>December</u>, parties could not reach consensus on the substance of the draft decision and agreed to bracket the entire text.

*Final Outcome:* The SBI adopted procedural conclusions (<u>FCCC/SBI/2023/L.22</u>) in which it agrees to continue consideration of the matter at SBI 60, taking into account the draft text prepared by the Co-Facilitators at SBI 59.

**Report of the Consultative Group of Experts (CGE):** The CGE assists developing countries in completing their national reports. Discussions on this item took place in informal consultations under the SBI, co-facilitated by Mausami Desai (US) and Xiang Gao (China). On <u>1 December</u>, parties considered the CGE's 2023 report (FCCC/SBI/2023/20) and suggested separating metrics on submissions of BTRs from submissions of national communications and BURs. Parties provided guidance on their 2024 work, which included providing support for developing countries in preparing BTRs, including capacity building and addressing imbalances and gaps.

*Final Outcome:* In its conclusions (<u>FCCC/SBI/2023/L.15</u>), the SBI requests the CGE to, *inter alia*:

- consider focusing on providing technical support and advice for the implementation of the ETF in developing and implementing its workplan for 2024;
- give special consideration to LDCs and SIDS;
- assist developing countries in maintaining and enhancing appropriate institutional arrangements and national capacities for the implementation of the ETF;
- promote gender and geographical balance among experts and in the training programme of experts;
- compile relevant lessons learned and best practices and the challenges, constraints and needs of developing countries in relation to the process of preparing national communications, BURs and BTRs; and
- address the needs of developing countries to use the reporting tools.

Summary reports on the technical analysis of biennial update reports of non-Annex I parties: This item focused on the technical analysis covering countries' BURs in 2023. In its closing plenary on <u>6 December</u>, the SBI adopted procedural conclusions (<u>FCCC/</u><u>SBI/2023/L.16</u>), which considered the published summary reports on the technical analysis of parties' BURs and took note of the technical analysis summary reports and their information.

## **Reporting under the Kyoto Protocol**

**National communications:** This item was considered in informal consultations under the SBI, co-facilitated by Toby Hedger (US) and Tian Wang (China), based on a document prepared on the

submission and review of the latest national communications from Annex I parties received by the Secretariat (FCCC/SBI/2023/INF.8). In its closing plenary on 13 December, the CMP noted the SBI could not conclude its work on this matter, which will be included on the provisional agenda for SBI 60 in accordance with draft rules 10(c) and 16.

Annual compilation and accounting report for the second commitment period for Annex B parties: During the opening plenary of the CMP on <u>30 November</u>, the CMP took note of the 2023 report (<u>FCCC/KP/CMP/2023/4 and Add.1</u>). President Al Jaber noted this will conclude the consideration of this agenda item, as this is the last annual compilation for the second commitment period.

## **Reporting under the Paris Agreement**

**Provision of financial and technical support to developing countries:** Discussions on this item focus on addressing the challenges faced by developing countries in implementing the ETF. The SBI discussed the item in informal consultations cofacilitated by Sandra Motshwanedi (South Africa) and Julia Gardiner (Australia) on <u>1</u>, <u>2</u>, <u>4</u>, and <u>6 December</u>.

In informal consultations, many developing countries stressed the lack of capacity to complete the BTRs and the need for targeted capacity building. A number of developing countries and country groups supported the proposal to include specific activities designed to improve the Secretariat's support.

Some developed countries challenged the request to increase GEF funding for BTR preparation, noting the need for GEF negotiations.

In its procedural conclusions (<u>FCCC/SBI/2023/L.21</u>), the SBI agreed to forward the matter to the CMA for further guidance.

On <u>8 December</u>, parties expressed diverging views on references to disbursement requests under the capacity-building initiative for transparency and on the request to increase GEF's funding support for BTR preparation. In informal consultations on <u>9 December</u>, parties agreed on the draft decision text.

*Final Outcome:* In its conclusions (<u>FCCC/PA/CMA/2023/L.2</u>), the CMA, *inter alia*:

- recognizes the challenges of developing countries in implementing the ETF in a sustainable manner including establishment and enhancement of their national reporting systems within their respective national governments;
- requests the Secretariat to organize an in-person workshop and in-session facilitative dialogue at SB 60;
- requests the Secretariat to prepare a summary report on the lessons learned and best practices to be shared at the facilitative dialogue; and
- invites parties to submit information on their experience and challenges related to implementing Article 13 of the Paris Agreement.

# Technology Transfer and Development and Capacity Building

Joint annual report of the Technology Executive Committee (TEC) and Climate Technology Centre and Network (CTCN): Discussions on this item aimed at considering the joint annual report of the TEC and the CTCN for 2023 (FCCC/SB/2023/3). Informal consultations under the SBs were co-facilitated by Elfriede Anna More (Austria) and Vositha Wijenayake (Sri Lanka) and convened among others on 3, 4, and 5 December.

Key issues mostly related to whether to "welcome" or "take note" of the report, which activities to highlight in the joint work programme for 2023-2027, how to reference the financial and fundraising challenges experienced by the CTCN, and ways of enhancing technical and logistical support for national-level coordination between national designated entities for the GCF and GEF operational focal points.

On <u>6 December</u>, the SBs adopted conclusions and forwarded draft decisions to the COP and CMA, which were adopted.

*Final Outcomes:* In its decision (<u>FCCC/SB/2023/L.9</u>), the COP, *inter alia*:

- welcomes the joint annual report of the TEC and CTCN and the progress of the implementation of the joint work programme of the Technology Mechanism for 2023-2027 and the technology framework, as well as enhanced coordination and collaboration between the TEC and CTCN, including through their adoption of new and improved modalities of work;
- invites the TEC and CTCN to continue efforts to enhance the exchange of systematic feedback on their work, including on the provision of technical assistance and related policy recommendations;
- invites the TEC and CTCN to report on the progress of the support provided to national designated entities, and parties to explore ways of enhancing the provision of technical and logistical support to their national designated entities and improving national-level coordination;
- requests the TEC and CTCN to enhance awareness of artificial intelligence (AI) and implement the Technology Mechanism initiative on AI giving special attention to the capacity needs for its use and consider how it can support the implementation of technology needs assessment outcomes and the joint work programme of the Technology Mechanism for 2023-2027;
- notes the insufficient transfer and deployment of technology in developing countries, encourages the TEC and CTCN to continue collaborating with the operating entities of the Financial Mechanism and relevant financial institutions, and calls for regional balance in this work;
- acknowledges the role of the CTCN partnership and liaison office in enhancing interaction among national designated entities and with the Green Climate Fund, and in providing technical support to developing countries across the core service areas of the CTCN;
- requests the CTCN to include information on the major outcomes of and lessons learned by its partnership and liaison office in its annual reports;
- welcomes the finalization of the CTCN resource mobilization and partnership strategy for 2023-2027, which has the aim of diversifying the resources of the CTCN and ensuring its funding is adequate, predictable and flexible; and
- encourages the CTCN, its host, the United Nations Environment Programme, and the UNFCCC Secretariat to collaborate on resource mobilization to ensure effective implementation of the joint work programme of the Technology Mechanism for 2023-2027 and requests CTCN to include information on the lessons learned in its annual reports.

In its decision (<u>FCCC/SB/2023/L.10</u>), the CMA largely reiterates the content of the COP decision and welcomes releasing the 2023 edition of the TEC and CTCN joint publication on technology and NDCs.

**Matters relating to Capacity Building:** Discussions on this item aimed at considering the annual technical progress report of the Paris Committee on Capacity-building (PCCB) for 2023 (<u>FCCC/SBI/2023/14</u>). Negotiations were conducted under the SBI. Informal consultations co-facilitated by Catherine Goldberg (US) and Gonzalo Guaiquil (Chile) convened on <u>1</u> and <u>2 December</u>, among others.

Key issues of debate mostly related to addressing implementation gaps and emerging needs, identifying synergies, and ensuring equitable geographic representation in capacity-building efforts. Some developing countries proposed adding a reference to CBDR-RC and developed countries' responsibility to provide financial support, while some developed country parties countered these proposals, pointing to ongoing discussions on these issues under the GST. One party raised strong concerns regarding fair regional representation in capacity-building efforts.

In its closing plenary on <u>December 6</u>, the SBI recommended decisions to the COP and the CMA, which both bodies adopted. In their plenaries on 11 December, the COP and the CMA also adopted the terms of reference for the second review of the PCCB forwarded by SBI 58.

*Final Outcomes*: In their respective decisions (<u>FCCC/SBI/</u>2023/L.18 and <u>FCCC/SBI/2023/10/Add.1</u>), the COP and CMA, *inter alia*:

- welcome the annual technical progress report of the PCCB for 2023, take note of its recommendations, and invite parties and others to consider these recommendations;
- invite parties and relevant institutions to provide support and resources to the PCCB for implementing its workplan; and
- note that capacity gaps and needs still exist in developing countries pertaining to the implementation of the Convention and Paris Agreement.

In its decision, the CMA also welcomes the work of the PCCB in relation to enhancing coherence and coordination of capacitybuilding activities under the Paris Agreement, including its collaboration with constituted bodies and other stakeholders.

In its decision (FCCC/SBI/2023/10 and Corr.1), the COP also:

- adopts annexed terms of reference for the second review of the PCCB;
- invites parties and others to submit views on the review by 29 February 2024 and requests the Secretariat to prepare a synthesis report on the submissions for consideration by SBI 60;
- requests SBI 60 to initiate the second review in accordance with the terms of reference, taking into account the synthesis report on submitted views;
- requests the SBI to complete the review by SBI 61 (November 2024) with a view to recommending a draft decision to COP 29; and
- invites the CMA to participate in the second review of the PCCB.

In its decision (FCCC/SBI/2023/10 and Corr.1), the CMA: decides to conduct the second review of the progress and need for extension of the PCCB at CMA 6; affirms the relevant COP decision; adopts annexed terms of reference for the review, requesting the submissions of views and the SBI to synthesize these views and complete the review by SBI 61 with a view to recommending a decision to CMA 6.

#### **Other Issues**

**Report of the Kyoto Protocol Compliance Committee:** During the opening plenary of the CMP on <u>30 November</u>, the CMP took note of the report (<u>FCCC/KP/CMP/2023/3</u>).

**Report of the Committee to Facilitate Implementation and Promote Compliance of the Paris Agreement:** During the opening plenary of the CMA on <u>30 November</u>, the CMA took note of the report (<u>FCCC/PA/CMA/2023/4</u>).

**Gender:** This item considered the Secretariat's reports on the progress of integrating a gender perspective into the UNFCCC process and on advancing the leadership of Indigenous women and women from local communities (FCCC/SBI/2023/13, FCCC/SBI/2023/4). Discussions were conducted in informal consultations under the SBI, co-facilitated by Marc-André Lafrance (Canada) and Angela Ebeleke Ibenge (Democratic Republic of the Congo), on <u>1</u>, <u>2</u>, and <u>5 December</u>.

Several developing countries noted concerns about insufficient resources to implement and participate in the activities in the work programme.

There was broad consensus among parties on including references to "Indigenous women and women from local communities" in the text but this was opposed by one party. Parties later on agreed to remove the phrase from the text, along with several paragraphs taking note of the reports. Most of the parties lamented the noninclusion of the reference to Indigenous women and women from local communities. The SBI adopted conclusions containing a draft decision, which the COP adopted.

*Final Decision:* In its decision (<u>FCCC/SBI/2023/L.17</u>), the COP, *inter alia*:

- requests the SBI to initiate the final review of the enhanced Lima work programme's implementation on gender and its gender action plan at SB 60;
- invites parties to submit their inputs on progress, challenges, gaps, and priorities in implementing the gender action plan by 31 March 2024; and
- requests the Secretariat to prepare a synthesis report on the submissions in advance of SB 60 and hold a workshop during that session to discuss the synthesis report.

Joint Work on Implementation of Climate Action on Agriculture and Food Security: Informal consultations, cofacilitated by Annela Anger-Kraavi (Germany) and Una May Gordon (Jamaica), convened under the SBs on <u>1</u>, <u>2</u>, <u>3</u>, <u>4</u>, and <u>5</u> <u>December</u>.

Parties could not agree on a basis for negotiations, despite strong urges for progress from the SB Chairs, the Co-Facilitators, and civil society. They ultimately were unable to complete a review of the entire informal note.

*Final Outcome:* In their conclusions (FCCC/SB/2023/L.8), the SBs note their continued consideration of the elements of the joint work, and agree to continue discussing the elements at SB 60 in June 2024, taking the <u>informal note from COP 28</u>, linked to in the footnotes of the conclusions, into account.

**Research and Systematic Observation:** Discussions on this item considered updates from Global Climate Observing System and World Meteorological Organization, report from the Committee on Earth Observation Satellites and the Coordination Group for Meteorological Satellites, report from Earth Information Day 2022 and Earth Information Day 2023, and decide on further action. Negotiations were conducted under the SBSTA. Informal consultations co-facilitated by Elizabeth Bush (Canada) and Patricia Achieng Nying'uro (Kenya) convened on, among others, <u>4</u> and <u>5</u> <u>December</u>. Parties debated whether calling 2023 the hottest year on record is speculative, whether to "note" or "welcome" the Global Greenhouse Gas Watch initiative, and whether to highlight the initiative and prioritization of the Early Warnings for All initiative, among other outcomes.

In its closing plenary on <u>6 December</u>, the SBSTA adopted conclusions and forwarded draft decisions to the COP and CMA, which the bodies later adopted.

*Final Outcomes*: In its conclusions (<u>FCCC/SBSTA/2023/L.10</u>), the SBSTA, *inter alia*:

- recognizes the vital importance of robust Earth observation systems and related long-term data records;
- expresses alarm about 2023 on track to be the warmest individual year on record;
- recognizes the need to address data gaps, including in the atmosphere, hydrosphere, cryosphere, ocean and coastal regions, tropical forests, desert and mountain regions;
- notes the continued efforts of the Systematic Observations Financing Facility;
- notes the new Global Greenhouse Gas Watch initiative;
- · emphasizes urgent need to deliver Early Warnings for All; and
- invites parties and relevant organizations to submit views on possible themes for and ways to organize Earth Information Day 2024, to be held in conjunction with SBSTA 61 (November 2024), by 31 August 2024.

In their respective decisions, the COP (FCCC/SBSTA/2023/L.7/ Add.1) and the CMA (FCCC/SBSTA/2023/L.7/Add.2), *inter alia*:

- recognize AR6 represents a more comprehensive and robust assessment of climate change than AR5, with an increased scope, compared with previous assessment cycles, providing integrated scientific, technical and socio-economic information; and
- encourage the scientific community to continue expanding the scientific knowledge base on climate change and addressing knowledge gaps with a view to supporting the AR7 cycle.

Matters relating to Action for Climate Empowerment (ACE): In informal consultations under the SBI, co-facilitated by Pemy Gasela (South Africa) and Arne Riedel (Germany) on 2, 5 and 6 December, parties discussed the annual summary report on progress in implementing activities under the Glasgow Work Programme on ACE (FCCC/SBI/2023/16). Several countries called for more clarity and details on parties' financial needs beyond what is reported in national plans and further integration of cross-cutting topics, such as finance and gender. On implementation, several urged more diversity in workshop topics and participating organizations.

A lengthy discussion ensued after developing countries introduced an alternative formulation for the areas of focus for the 2024, 2025, and 2026 ACE Dialogues. The proposal added language on financial needs, as well as a midterm review with time allocated to discuss financial needs and gaps. A few developed countries stated they would like to see references to finance replaced with "support" and disagreed with prejudging any potential needs or gaps, which developing countries strongly opposed.

The SBI in accordance with rules 10(c) and 16 of the draft rules of procedure, agreed to include this item in the provisional agenda for the next session.

**Youth Climate Champions**: In their closing plenaries on 13 December, the COP and CMA adopted a joint decision (<u>FCCC/CP/2023/L.13-FCCC/PA/CMP/2023/L.15</u>). YOUTH emphasized lack of meaningful inclusion in the process, noting the Presidency youth climate champion decision does not represent them and was taken without their consent, suggesting potential "youthwashing." President Al Jaber responded that the Presidency has worked for full inclusion and will seek to ensure youth have a full role.

*Final Decisions*: In their decision (<u>FCCC/CP/2023/L.13 - FCCC/</u><u>PA/CMA/2023/L.15</u>), the COP and CMA, *inter alia*:

- recognize the Presidency's initiative in co-organizing the children and youth pavilion, the Dubai youth climate dialogue, and the international Indigenous youth forum on climate change, and note the outcomes of the eighteenth Conference of Youth held in Dubai in November 2023;
- decide that a Presidency youth climate champion shall be appointed every two years;
- request each incoming COP Presidency, parties, and Secretariat to provide direction, guidance, and support to the Presidency youth climate champion on matters related to children and youth in the UNFCCC process;
- urge the Presidency youth climate champion to: support the implementation of activities under the work programmes of the COP, CMA, and the Global Climate Action Agenda; engage in local and regional conferences of youth; and engage with the youth within all NGO constituencies of the UNFCCC; and
- encourage the SB Chairs, the UNFCCC constituted bodies, parties, and non-party stakeholders to invite the Presidency youth climate champion to attend relevant sessions and meetings and events at the local, regional, national, and international level.

## **Closing Segment**

President Al Jaber welcomed the GST decision as a robust action plan to keep 1.5°C degrees in reach and urged turning the agreement into tangible action. He considered the "Changemaker Majlis" as a turning point in the negotiations. He also announced the decisions on the loss and damage fund, the GST, the Work Programme on Just Transition Pathways, the MWP, the GGA, and the Presidency youth climate champion would be called the "UAE Consensus."

UNFCCC Executive Secretary Simon Stiell said the conference delivered some genuine strides on renewable energy, the GGA, and the operationalization and initial down payment on the loss and damage fund. He noted the GST outcome is a "lifeline, not a finish line." He emphasized the Secretariat's resolve to keep improving the process and urged parties to ensure the Secretariat's funding is commensurate with its mandate.

Samoa, for AOSIS, lamented that AOSIS was coordinating on the GST and was not in room when its adoption was gaveled. She emphasized the group's concern that the text does not invite parties to peak emissions in 2025, said the focus on "energy systems" is disappointing, and stressed the text "endorses technologies that could take us backward."

The EU welcomed the outcomes in Dubai for signaling the beginning of the end of fossil fuels, stressing the EU will stand with countries in their transition as long as needed and noting prosperity within planetary boundaries is there for all to be shared. Spain, also for the EU, emphasized enhanced climate justice, particularly for SIDS and LDCs, and doubling adaptation finance. Cuba, for GROUP OF 77 and CHINA, emphasized climate action must be taken up in the context of poverty eradication and sustainable development. She stressed the importance of developed countries delivering on their financial commitments, condemned the unjust global financial architecture and the growing frequency of unilateral measures, and called on developed countries to approach COP 29 with a sense of obligation in setting the NCQG.

Australia, for the UMBRELLA GROUP, welcomed the call for 1.5°C-aligned NDCs with economy-wide emission targets covering all sectors, gases, and categories. He lamented the lack of reference to opportunities in the energy and transport sectors in the MWP. He stressed that the NCQG should reflect that countries' capacities and circumstances have changed since 1992. He expressed concern about missing references to human rights in the just transition pathways work programme.

Switzerland, for the EIG, emphasized there is no equity in a world above 1.5°C and stressed the need for more precision, quantification, and accountability with regard to the energy transition, noting the moment of truth for the GST outcome will come with the next round of NDCs in 2025. He emphasized work on finance flow alignment to unlock capital for shared objectives.

Zambia, for the AFRICAN GROUP, emphasized the need for more work on the GGA, especially with regards to thematic and dimensional targets, and welcomed references to reforming multilateral development banks and tripling renewable energy capacity.

Saudi Arabia, for the ARAB GROUP, underlined the need to uphold CBDR and the various approaches set out in the Convention and Paris Agreement to address emissions, regardless of the sources of those emissions, in line with national capacities and circumstances. He urged the provision of support for all technologies, particularly carbon capture and storage.

Guatemala, for AILAC, stressed that language in the GST decision could have been stronger, including calls for immediate action and quantifiable goals to reduce emissions, as well as reduction of consumption and production of fossil fuels. She cited the cost of capital and low fiscal space obstacles for developing countries, and called for highly concessional public finance.

Ghana, for the CLIMATE VULNERABLE FORUM, welcomed the operationalization of the loss and damage fund. With regard to the GST outcome, he expressed opposition to identical timelines on energy transition for both developed and developing countries.

Palau, for PACIFIC SIDS, said the COP delivered on a new vision for the world without fossil fuels. He noted serious concerns with several loopholes such as carbon capture and storage that he said were unproven technologies.

Argentina, for ARGENTINA, BRAZIL, and URUGUAY (ABU), underscored that agreement on the NCQG in 2024 is key, and emphasized taking into account all dimensions of sustainable development in just transitions.

Honduras, for CfRN, denounced "climate fraud" on the voluntary carbon market and lamented the failure to operationalize Articles 6.2 and 6.4 to establish a transparent regulatory framework for carbon markets.

BOLIVIA lamented the GST outcome failed to recognize the principles of equity and CBDR and called out developed countries' carbon colonialism. He stressed the need for developed countries to live up to their commitments and provide means of implementation support to developing countries in implementing their NDCs. VENEZUELA underscored that developed countries must continue to take the lead, and cautioned against imposing conditionalities on developing countries' access to finance, technology, or capacity building, emphasizing peoples' right to development.

BRAZIL announced the establishment of a COP Presidency troika between the UAE, Azerbaijan, and Brazil, to ensure the next two years of work will be led by science. She noted the next task is to align means of implementation (MoI) to ensure just transition, with developed countries taking the lead on fossil fuel transition and enabling developing countries' adaptation and mitigation actions.

The US underscored that to be in line with the 1.5°C target, the use of transitional fuels can only play a limited and temporary role and noted the use of abatement technology should focus on hard-to-abate sectors. He announced the US and China intend to update their long-term low-GHG development strategies and invited parties to join them in doing so.

GERMANY characterized the outcomes as a starting point that recognizes a transition away from fossil fuels can only be accomplished through international cooperation, assuring support and provision of technology for vulnerable countries.

The UK said the GST signals commitment to move away from fossil fuels, but noted many loopholes. He expressed disappointment it did not do more to address the need to stop new coal power generation. NEW ZEALAND characterized 2023 as a "crucial turning point" away from fossil fuels, noting its potential to shift global investment and markets.

FRANCE welcomed references to innovative financing and taxation, noting language on coal and methane should have been stronger, and called for the gradual phase-out of fossil fuels in line with the 1.5°C goal. NORWAY emphasized the commitment to transition away from fossil fuels is groundbreaking, but lamented weak language on methane and underscored that human rights are not something to take into account, but must be respected and promoted.

JAPAN called for parties to show the highest ambition in their next NDCs and noted Article 6 is indispensable for achieving the 1.5°C target. The REPUBLIC OF KOREA noted a "restoration of trust" and called for parties to work together to implement the action oriented, pragmatic, and realistic package of adopted decisions.

ITALY welcomed the clear message on the transition away from fossil fuels, and noted the key role of nuclear energy and hydrogen. CANADA noted the GST provides a clear direction but there is no room for complacency, and emphasized the need to draw on the widest range of sources of finance.

BANGLADESH underscored that 1.5°C is not a political phrase, but an important limit indicated by science that minimizes loss and damage. He stressed parties cannot compromise on adaptation, urging more specificity and concrete steps to implement the GGA.

COLOMBIA said the GST contains loopholes and cautioned that reliance on transition fuels could lock in fossil fuels for 30 years. She stressed the energy transition cannot be at the cost of Indigenous Peoples, local communities, or biodiversity.

MARSHALL ISLANDS called for parties to keep 1.5°C alive and phase out fossil fuels, underscoring the step taken in Dubai is a good signal, but not enough to stop temperatures from rising and keep people from dying. ANTIGUA AND BARBUDA denounced reference to transitional fuels in the GST decision as a dangerous loophole, noting these risks becoming permanent, lead to high energy costs, and become stranded assets.

CHILE expressed concern that the text on fossil fuel subsidies and transition fuels will work against the call for a transition from fossil fuels and noted that middle-income countries need access to climate finance.

INDIA said the meeting has sent positive signals to the world, and the way ahead must be based on equity and climate justice, calling for MoI to support ambition. CHINA noted the global irreversible trend towards a low-GHG transition, urging developed countries to take the lead by increasing ambition on net zero and providing support to ensure a global just transition giving developing countries the necessary space to develop.

The RUSSIAN FEDERATION emphasized each party can choose its own recipe for advancing energy transition, pointing to nuclear technology, and objected to green protectionism and unilateral coercive measures. QATAR recalled developed countries' historical responsibility and expressed concern over the focus on sources of emissions and imposition of goals and timelines in the GST decision, noting this is not in line with the Paris Agreement's bottom-up nature.

SIERRA LEONE said the GGA outcome does live up to expectations, noting the importance of clear targets. He emphasized that without MoI, the GGA remains purely aspirational.

PARAGUAY underscored countries' right for socio-economic development, noting the need to differentiate between developed and developing countries and take into consideration each country's national circumstances. INDONESIA stressed that transitioning away from fossil fuels must be understood in the context of national circumstances, emphasized the inclusion of Indigenous Peoples and local communities, and called for developed countries to continue mobilizing resources from all sources.

The PHILIPPINES reiterated their offer to host the loss and damage fund board. She emphasized equity and CBDR-RC in relation to the GST decision and called for mobilizing MoI.

MOROCCO welcomed reference to tripling renewable energy, doubling efficiency and transitioning away from fossil fuels in the GST, calling for developed countries to take the lead and provide adequate MoI. IRAQ called for developed countries to keep to their commitments considering equity and their historic emissions, and underscored reservations with regard to the focus on fossil fuels as sources of emissions.

NIGERIA suggested some outcomes "could suffocate" economic growth, urging developed countries to provide support, including for carbon capture and storage. TANZANIA stressed the need for urgent provision of support to gender-inclusive just energy transitions, without adding to developing countries' debt stress, and emphasized the importance of clean cooking.

ETHIOPIA called the loss and damage fund a "beacon of hope," calling for sustained capitalization commensurate with the needs of those most vulnerable. The MALDIVES urged continued recognition of SIDS' special circumstances, and, underscoring the Maldives cannot adapt beyond 1.5°C of global warming, called for a rapid course correction.

KENYA emphasized the magnitude of the challenge of ensuring access to clean energy and clean cooking for all in Africa and welcomed recognition of the linkages between fiscal space and climate-resilient development. He also offered to host the secretariat of the Santiago Network in Nairobi. PALESTINE stressed there are no rights in the face of occupation and war, and underscored the suffering of the people of Palestine. TÜRKIYE expressed its desire to host COP 31.

YOUTH called for a "full, fair, feminist, and equitable" phaseout of fossil fuels and fossil fuel subsidies, canceling debt, and transforming our economic system.

BUSINESS AND INDUSTRY said the energy package with clear goals gives business and industry clear guidance. She urged a whole of society approach for preparing the next round of NDCs, and noted business and industry has experience building reliable systems, which will be required to achieve the 1.5°C goal.

CLIMATE ACTION NETWORK (CAN) said civil society came to COP 28 with the goal of ending the era of fossil fuels. She stressed that rich nations and big polluters must fund the energy transition and there is no space for industries that profit from the destruction of the planet. DEMAND CLIMATE JUSTICE demanded proper means of implementation and upholding human rights.

FARMERS lamented the lack of attention and funding for sustainable agriculture, and urged actively engaging farmers in the definition of objectives under the joint work on agriculture. INDIGENOUS PEOPLES' ORGANIZATIONS lamented the disregard of Indigenous Peoples' rights in the negotiations and the lack of transparency in these discussions. She underscored Indigenous Peoples' role as frontline environmental defenders, denouncing the continued resource extraction on Indigenous Peoples' land.

LOCAL GOVERNMENTS AND MUNICIPAL AUTHORITIES commended the references to multi-level action and loss and damage in the GST decision. He welcomed the continued work towards reaching the 1.5°C goal, noting this can be supported by the enhanced multi-level action 2024-2025 work plan.

RESEARCH AND INDEPENDENT NGOs called for assessing the impact of new and unproven technologies and guidelines for their safe and effective implementation. He also called for open space for traditional knowledge and empowering diverse voices.

TRADE UNIONS welcomed reference to fossil fuels in the GST text, noting loopholes and lack of commitment to address ambition gap, including on finance. They applauded the decision on the just transition pathways work programme, lamenting that workers are not mentioned once in the GST text.

WOMEN AND GENDER lamented weak language on fossil fuels, noting it will jeopardize the 1.5°C target. She condemned lack references to gender and emphasized that billions, not millions, are needed to address loss and damage.

**Conclusion of the session:** The Secretariat reported an estimated EUR 17.8 million in additional funds are needed for the trust fund to implement activities mandated at this session. The COP, CMP, and CMA adopted their respective reports (FCCC/CP/2023/L.2, FCCC/KP/CMP2023/L.1, FCCC/PA/CMA/2023/L.3). They also adopted a decision FCCC/CP/2023/L.7-FCCC/KP/CMP/2023/L.3-FCCC/PA/CMA/2023/L.7 titled "Expression of gratitude to the Government of the United Arab Emirates."

President Sultan Al Jaber congratulated attendees on their "victory for multilateralism, unity, solidarity, true collaboration, international partnership, and for international partnership." He called the meeting a historic turning point that puts 1.5°C back in reach and urged for this political decision to be translated into real results. He gaveled the meeting to a close at 5:11 pm on 13 December.

## A Brief Analysis of COP 28

"Cursed (although I curse myself) be the hands that formed you." Mary Shelley, Frankenstein

Much like Frankenstein's creature, the Paris Agreement was assembled from many parts—old and new principles and procedures, stitched together by nearly 200 countries. All action is situated within the 1992 Convention's principles of equity and common but differentiated responsibilities (CBDR). The Agreement cements the "nationally determined" approach articulated by the Copenhagen Accord. Countries' pledges contribute to reaching global temperature, net-zero emissions, adaptation, and finance goals. The Agreement is meant to be dynamic through the "ratchet up mechanism," beginning with the Global Stocktake (GST), itself mimicking older reviews of progress, then continued by Paris Agreement mechanisms to submit progressively more ambitious nationally determined contributions (NDCs). In Dubai, the first Stocktake concluded. Parties now had to confront the creature they created.

Some were pleased; others repulsed. A delegate from a small island developing state sat in tears, fearing parties' failure to prevent the oncoming existential threat. UNFCCC Executive Secretary Simon Stiell reflected the views of many in declaring the "beginning of the end for fossil fuels." Such sentiments prompted a different set of existential concerns for the Arab Group. Throughout the negotiations, the Like-Minded Developing Countries (LMDCs) warned against language that tread dangerously close to re-writing the Paris Agreement itself. It was clear the varied national interests and politics that gave life to the creature that is the Paris Agreement were still very much present.

This brief analysis considers how parties used the GST to take stock of the Paris Agreement and determine its future. It also looks at how discussions on loss and damage fund, adaptation, mitigation, just transition, and finance help mold a fleshed-out view of the Paris Agreement, perhaps one fit for purpose.

#### The Ratchet-Up Mechanism is Alive!

The Paris Agreement and its rulebook provide the skeleton for the GST. It is an assessment of collective progress on mitigation, adaptation, and means of implementation meant to inform the next round of NDCs, to be put forward by parties in 2025. Exactly how was up to negotiators in Dubai. They wrestled to arrive at a common narrative of the past. No one could hide from the ugly results of the 18-month technical phase of the GST. Emissions are rising above what should be happening under the existing NDCs, which themselves are insufficient to keep global temperature rise below 2°C, let alone 1.5°C. There are gaps galore on emissions, adaptation, and finance.

The response to these findings was likewise up for debate. The Paris Agreement provides little guidance on how detailed the forward-looking aspects of the GST should be. While some wanted to set forth a short clear "course correction," others wanted to enshrine the nationally determined nature of climate action. Rumors circulated that the High-Ambition Coalition succeeded in rallying over 170 countries who would refuse to accept an outcome that didn't set forward a future without fossil fuels or reliance on "unproven technologies."

Technologies and principles formed the basis of the rebuke against language on fossil fuel phase out from the LMDCs, Arab Group, and some African countries. They preferred to focus on emissions, rather than their sources. This angle would allow carbon capture utilization and storage (CCUS), carbon removal technologies, and natural gas as a "transitional fuel." They worried about stranding oil and gas assets and undermining their economies in uncertain times.

They also called out the "hypocrisy" of developed countries' positions, particularly in line with CBDR. According to the Production Gap Report, most major fossil fuel producers plan to increase production, including Australia, Canada, and the US. A few delegates pointed to the UK's announcements to license further oil production in the North Sea. The LMDCs in particular reminded everyone that we are in a climate crisis precisely because of the inaction of developed countries that now ask developing countries to radically shift their economies, with limited support.

More than the Paris Agreement itself, the outcome of the GST reveals the art of creatively stitching together words to build an overall form. Countries can undertake a list of actions on energy transition, in a nationally determined manner. They can contribute to tripling renewable energy capacity and doubling energy efficiency by 2030, against an unspecified baseline. Other options on the menu include using "low-emissions fuels," "transitional fuels," and "low-emissions technologies," ranging from renewables to CCUS. In a historic decision, countries acknowledged the need to transition away from fossil fuels. However, there is still a focus on emissions and many called out "loopholes" allowing various, sometimes untested, technologies.

Nevertheless, with the GST decision, a transition away from fossil fuels is finally part of the Paris Agreement's future. It builds a specificity that the original creature lacked. There is, finally, a detailed description of a key cause of climate change—fossil fuels and options to address it.

Other details are, as one long-time delegate put it, "schizophrenic." There are encouragements for all countries to move toward economy-wide emission reduction targets, but also recollections that the Paris Agreement only specifies that developed countries should have such targets. Countries are encouraged to strengthen their 2030 targets by the end of 2024 and to align their next NDCs, which end in 2035, with 1.5°C. Both calls are couched in the nationally determined nature of the Paris Agreement.

#### Molding the Rest of the Creature

The Paris Agreement, and therefore its GST, are not just about mitigation. The GST also had placeholders for the outcomes on the GGA, mitigation work programme, just transition pathways work programme, finance, and the loss and damage fund. As a result, negotiators in Dubai had to stitch together the pieces while they were still being developed. Ultimately, parties assembled these pieces, affixing them to the GST decision and, with it, to the Paris Agreement. The result shows strength in loss and damage, but weaknesses in the areas that could prevent the worst case scenario: adaptation, mitigation, and finance.

The conference opened with a decision to fully realize the loss and damage fund, although its name is still under debate. Developed countries committed roughly USD 700 million to the fund or, tellingly, to related funding arrangements. The Santiago Network's institutional home was settled, placing it with the UN Offices for Disaster Risk Reduction and for Project Services. This builds an important link between the UN arms that work on climate change and responses to and recoveries from climate-intensified disasters. Once incredibly contentious, loss and damage discussions proceeded smoothly under the radar.

The GGA was set to be fully "operationalized" at this meeting of the Conference of the Parties (COP). Countries provided some focus on the broadly formulated GGA through thematic and governance goals. This gives direction to improve resilience in agriculture, health, and other areas by 2030. It also specifies the adaptation cycle and embraces the various ways countries communicate their adaptation plans and needs. Work on indicators, to measure in order to manage, is the subject of another two-year work programme. This is key to avoid, else the GGA will remain overlooked in relation to the easily-measured temperature goals.

Despite the GST's recognition of the growing magnitude of adaptation needs, there is very little to support developing countries trying to adapt to a warmer world. In 2021, developed countries promised to double adaptation finance above 2019 levels. The Standing Committee on Finance (SCF) could not agree on what "2019 levels" actually were, with estimates ranging from USD 7.1 to 19.2 million, and developing countries also recalled the aim for a balance between mitigation and adaptation finance. With little trust among parties and the varied methodologies they draw from, the GST decision calls in ministers for a high-level dialogue on adaptation finance.

Under the call for a just energy transition, the mitigation arm of climate action remains weak. In 2023 the mitigation work programme (MWP) focused on energy transitions, invoking similar divides as in the GST's energy transition negotiations. Discussions did not result in substantive outcomes, largely because negotiators still cannot agree on the MWP's mandate. Developed countries pushed to re-position the MWP as a platform to take forward the GST's outcomes. Others rejected this as beyond the programme's mandate and modalities. The call to build on the GST is absent from the procedural MWP outcome. In a sign of procedural debates to come, the GST decision invites "relevant work programmes" to integrate the GST's outcomes into their future work.

While countries struggled to discuss mitigation broadly, they did take a first step to strengthen a key component of reducing emissions fairly. The one-year-old work programme on just transition pathways emerged from Dubai fully formed. It will take forward a range of issues, from energy and the workforce to adaptation and participatory approaches in dialogues through 2026. A contact group will oversee and discuss the dialogues, and reports will inform the next GST. This programme could help build global solidarity and labor support for low-emissions, climate-resilient economies. However, an African delegate worriedly foretold a lack of financial and other support to enable such strong outcomes.

Ultimately, finance knits together all climate action. Particularly since the COVID pandemic, developing countries have had little fiscal space, and climate finance loans, on which interest has to be paid, would push them beyond their available borrowing space. After historic, climate-fueled floods in 2022, Pakistan's need for climate finance led to downgrade in the country's credit rating, with agencies citing higher debt sustainability risks. In the words of one least developed country (LDC) negotiator, "We're afraid to use what few climate finance options we can access."

For developed countries, this is reason enough to operationalize Article 2.1(c), which calls for aligning global financial flows with low-emissions, climate-resilient development. They argue that the entire financial architecture, from investors to multilateral development banks, needs to support climate action. Developing countries worry this discussion is a ruse to shift developed countries' responsibility for providing climate finance to other entities. In the compromise to balance all countries' suggested finance topics, Article 2.1(c) was discussed under the SCF rather than as a standalone item. The GST helped get Article 2.1(c) on its feet, deciding to continue and strengthen the dialogue, while also ensuring the discussions on the new collective quantified goal on climate finance shift to negotiation mode. The finance goal is the last piece of the Paris Agreement to be put in place in 2024. As one delegate remarked "We'll see in Baku if anything decided in Dubai really matters."

#### A Functional Creature or Unwieldy Beast?

In the GST process, countries had to take a hard look at the Paris Agreement. They found gaps and weaknesses on implementation, ambition, and provision of finance. The delayed action by developed countries on finance and mitigation eroded trust among parties. With little common ground on the history or the future, countries could not agree if the Paris Agreement, as reflected through the GST, was fit for purpose, or a beast unable to pivot in light of science.

While many hailed the decisions adopted in Dubai as a triumph for multilateralism, small island developing states felt left behind, unwilling to trust the promises of developed countries that "we see you and stand with you." The way forward, as charted by the GST, is unlikely to live up to the Paris Agreement's goals. The sources of the problem—fossil fuels—still have ample footing to fight for survival. The creature revealed is a Paris Agreement better able to deliver a climate-safe world, and with more strength to fight the monsters threatening this future. But there is a long way to go, especially on support and leaving no one behind.

As historic as the first GST was, no one meeting can save the world. A trifecta of Presidencies will undertake a "Mission for 1.5°C" to try to catalyze early action in line with science. The finance goal to be agreed on in 2024 will not only sort out the direction for the next decade, but likely also to the middle of the century, and could constitute an important step toward actually accelerating a just energy transition and adaptation action—giving meaning to the words celebrated in Dubai. In turn, 2025, which is when countries are supposed to submit their more ambitious, hopefully 1.5°C aligned, NDCs, will show whether the fundamental idea of the Paris Agreement's ratchet up mechanism allows the creature to walk into the future with its head held high.

## **Upcoming Meetings**

66th Meeting of the Global Environment Facility (GEF) Council: The Council develops, adopts, and evaluates the operational policies and programs for GEF-financed activities. The UNFCCC invited the GEF to consider a number of issues emerging from COP 28, including support for developing country reporting. dates: 5-9 February 2024 location: Washington, DC, US www: thegef.org/events/66th-gef-council-meeting

**Sixth meeting of the UN Environment Assembly (UNEA-6)**: UNEA-6 convenes under the theme "Effective, inclusive and sustainable multilateral actions to tackle climate change, biodiversity loss, and pollution." It will be preceded by the sixth meeting of the Open-ended Committee of Permanent Representatives, which will take place from 19-23 February 2024. **dates:** 26 February

- 1 March 2024 **location:** Nairobi, Kenya **www:** <u>unep.org/</u> <u>environmentassembly/unea6</u>

**38th Board Meeting of the Green Climate Fund:** The Board governs and supervises the GCF based on guidance from the COP and CMA, including on matters relating to policies, programme priorities and eligibility criteria and matters related thereto. The UNFCCC invited the GCF to consider a number of issues emerging from COP 28. **dates:** 4-7 March 2024 **location:** Kigali, Rwanda **www:** greenclimate.fund

2024 World Bank Group/International Monetary Fund (IMF) Spring Meetings: The World Bank and IMF, as well as related ancillary events, will take up various topics, including invitations from the UNFCCC to consider the outcomes from COP 28. dates: 19-21 April 2024 location: Washington DC, US www: worldbank. org/en/meetings/splash/about

**4th International Conference on Small Island Developing States (SIDS4):** The fourth International Conference on Small Island Developing States (SIDS4) will be held under the overarching theme of "Charting the course toward resilient prosperity." It aims to assess the ability of SIDS to achieve sustainable development, including the 2030 Agenda and its Sustainable Development Goals. **dates:** 27-30 May 2024 **location:** Saint John's, Antigua and Barbuda **www:** <u>sdgs.un.org/conferences/sids2024</u>

60th Sessions of the UNFCCC Subsidiary Bodies (SB 60): The SBSTA and SBI will take up a range of issues including follow up from COP 28. dates: 3-13 June 2024 location: Bonn, Germany www: unfccc.int/calendar/events-list

**G7 Summit 2024:** The Group of 7 (G7) Summit is an international forum held annually for the leaders of the G7 member States. In addition to a focus on the Global South, Italy also plans to focus its Presidency on Ukraine, unity among the G7, respect for the rules of international law, economic security, energy security, migration, and cooperation with Africa. **dates:** 13-15 June 2024 **location:** Puglia, Italy **www:** <u>groupofnations.com/summits/g7-summit-italy-2024</u>

67th Meeting of the Global Environment Facility (GEF) Council: The Council develops, adopts, and evaluates the operational policies and programs for GEF-financed activities. dates: 17-21 June 2024 location: Washington DC, US www: thegef.org/events

**39th Board Meeting of the Green Climate Fund:** The Board governs and supervises the GCF based on guidance from the COP and CMA, including on matters relating to policies, programme priorities and eligibility criteria and other matters. **dates:** 15-18 July 2024 **location:** Republic of Korea **www:** <u>greenclimate.fund</u>

**40th Board Meeting of the Green Climate Fund:** The Board governs and supervises the GCF based on guidance from the COP and CMA, including on matters relating to policies, programme priorities and eligibility criteria and matters related thereto. **dates:** 21-24 October 2024 **location:** Republic of Korea **www:** greenclimate.fund

2024 World Bank Group/International Monetary Fund (IMF) Annual Meeting: The World Bank and IMF will take up various topics, including invitations from the UNFCCC to consider outcomes from COP 28. dates: 25-27 October 2024 location: Washington DC, US www: worldbank.org/en/meetings/splash/ about#sec1 **UNFCCC COP 29:** The 29th session of the Conference of the Parties (COP 29), the 19th meeting of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP 19), and the sixth meeting of the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement (CMA 6) will convene to complete the first enhanced transparency framework and the new collective quantified goal on finance, among other matters. **dates:** 11-22 November 2024 **location:** Baku, Azerbaijan **www:** unfccc.int/calendar/events-list

For additional upcoming events, see sdg.iisd.org/

# Glossary

Glossary		
AILAC	Independent Association for Latin America and	
	the Caribbean	
AOSIS	Alliance of Small Island States	
AR6	Sixth Assessment Report (IPCC)	
BTR	Biennial transparency report	
CBDR-RC	Common but differentiated responsibilities and	
	respective capabilities	
CDM	Clean Development Mechanism	
CfRN	Coalition for Rainforest Nations	
CMA	Conference of the Parties serving as the Meeting	
	of the Parties to the Paris Agreement	
CMP	Conference of the Parties serving as the Meeting	
	of the Parties to the Kyoto Protocol	
COP	Conference of the Parties	
EIG	Environmental Integrity Group	
ETF	Enhanced Transparency Framework	
GCF	Green Climate Fund	
GEF	Global Environment Facility	
GGA	Global Goal on Adaptation	
GHG	Greenhouse gases	
GST	Global Stocktake	
IPCC	Intergovernmental Panel on Climate Change	
KCI	Katowice Committee on Impacts	
LDCs	Least developed countries	
LEG	LDC Expert Group	
LMDCs	Like-Minded Group of Developing Countries	
MWP	Mitigation ambition and implementation work	
	programme	
NAPs	National adaptation plans	
NCQG	New collective quantified goal	
NDCs	Nationally determined contributions	
NMAs	Non-market Approaches	
PCCB	Paris Committee on Capacity-building	
SBs	Subsidiary Bodies	
SBI	Subsidiary Body for Implementation	
SBSTA	Subsidiary Body for Scientific and Technological	
	Advice	
SCF	Standing Committee on Finance	
SIDS	Small island developing states	
UNFCCC	UN Framework Convention on Climate Change	
WIM	Warsaw International Mechanism on loss and	
	damage	
WIM ExCom	WIM Executive Committee	